(5) (4)

Nos. 87-963, 87-1616

Supreme Court, U.S.
FILED
JUL 7 1988
JOSEPH F. SPANIOL, JR.
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1987

ROBERT L. HERNANDEZ,
Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

KATHERINE JEAN GRAHAM, RICHARD M. HERMANN AND DAVID FORBES MAYNARD,
Petitioners,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

On Writ of Certiorari to the United States Courts of Appeals for the First and Ninth Circuits

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JOINT APPENDIX

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PETITION FOR CERTIORARI IN 87-963 FILED DEC. 11, 1987
CERTIORARI GRANTED IN 87-963 APRIL 18, 1988

PETITION FOR CERTIORARI IN 87-1616 FILED MARCH 30, 1988
CERTIORARI GRANTED IN 87-1616 MAY 23, 1988

CONSOLIDATION ORDERED MAY 23, 1988

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Pages 8 and 9 of Exhibit AI 111

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Hernandez, No. 87-963

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Decree of the Court of Appeals, filed June 1, 1987 ..... Pet. App. 29a

UNITED STATES TAX COURT

Docket No. 5837-76

KATHERINE JEAN GRAHAM,
Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

RELEVANT DOCKET ENTRIES

Date	Filings and Proceedings
June 25, 1976	PETITION FILED: FEE PAID
Aug. 20, 1976	ANSWER by Resp. filed. (c/s 8/18/76)
Nov. 18, 1982	AMENDED PETITION filed.
Nov. 30, 1982	ANSWER TO AMENDED PETITION by Resp (C/S 11/26/82)
Dec. 6, 7, 8, 1982	TRIAL at Los Angeles, CA before Judge Sterrett.
	Joint Oral Motion to consolidate—See Order
	Joint Oral stipulation that entire record at 3352-78 be made part of the record in this case—See Order.
	12/6/82 Stipulation of Facts with exhibits filed.
Dec 6, 1982	ORDER, that the joint oral motion is granted and 5837-76, 9384-79 and 374-80 are consolidated for trial, briefing and opinion. Further
	ORDER, that the entire record at 3352-78 is made part of the record in this case.

Date	Filings and Proceedings
Oct 15, 1984	OPINION filed, Judge Sterrett. (Decision will be entered for Resp)
Oct 19, 1984	DECISION ENTERED, Judge Sterrett.
Nov 19, 1984	NOTICE OF APPEAL to U.S.C.A., 9th Cir., filed by Petr.

UNITED STATES TAX COURT

Docket No. 9384-79

RICHARD M. HERMANN,
Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

RELEVANT DOCKET ENTRIES

Date	Filings and Proceedings
Jul. 3, 1979	PETITION FILED: FEE PAID
Mar 26, 1982	ORDER, that Resp's. motion is granted and the caption of this case is amended by deleting the Letter "S" from the docket number. Further
	ORDER, that the assegations [sic] of error and facts relating to the petition are deemed denied.
Nov 18, 1982	AMENDED PETITION filed.
Nov 30, 1982	ANSWER TO AMENDED PETITION by Resp (C/S 11/26/82)
Dec 6, 7, 8, 1982	TRIAL at Los Angeles, CA before Judge Sterrett.
	Joint Oral Motion to consolidate—See Order
	Joint Oral stipulation that entire record at 3352-78 be made part of the record in this case.—See Order 12/6/82 Stipulation of Facts with exhibits filed.

Date	Filings and Proceedings
Dec 6, 1982	ORDER, that the joint oral motion is granted and 5837-76 9384-79 and 374-80 are consolidated for trial, briefing and opinion. Further
	ORDER, that the entire record at 3352-78 is made part of the record in this case.
Oct 15, 1984	OPINION filed, Judge Sterrett. (Decision will be entered for Resp)
Oct 19, 1984	DECISION ENTERED, Judge Sterrett.
Nov 19, 1984	NOTICE OF APPEAL to U.S.C.A., 9th Cir., filed by Petr.

UNITED STATES TAX COURT

Docket No. 374-80

DAVID FORBES MAYNARD,
Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

RELEVANT DOCKET ENTRIES

Date	Filings and Proceedings
Jan 8, 1980	PETITION FILED: FEE PAID Jan 8, 1980
Mar 26, 1982	ORDER, that Resp's. motion is granted and the caption of this case is amended by deleting the Letter "S" from the docket number. Further
	ORDER, that the allegations of error and facts relating to the petition are deemed denied.
Nov 18, 1982	AMENDED PETITION filed.
Nov 30, 1982	ANSWER TO AMENDED PETITION by Resp (C/S 11/26/82)
Dec 6, 7, 8, 1982	TRIAL at Los Angeles, CA before Judge Sterrett.
	Joint Order Motion to consolidate—See Order
	Joint Oral Stipulation that entire record at 3352-78 be made part of the record in

Date	Filings and Proceedings
	this case—See Order. 12/6/82 Stipulation of Facts with exhibits filed.
Dec 6, 1982	ORDER, that the joint oral motion is granted and 5837-76, 9384-79 and 374-80 are consolidated for trial, briefing and opinion. Further
	ORDER, that the entire record at 3352-78 is made part of the record in this case.
Oct 15, 1984	OPINION filed, Judge Sterrett. (Decision will be entered for Resp.)
Oct 19, 1984	DECISION ENTERED, Judge Sterrett.
Nov 19, 1984	NOTICE OF APPEAL to U.S.C.A., 9th Cir., filed by Petr.

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Consolidated 84-7794, 84-7798 & 84-7799

KATHERINE JEAN GRAHAM,
Petitioner,

vs.

COMMISSIONER OF INTERNAL REVENUE SERVICE,
Respondent.

RELEVANT DOCKET ENTRIES

Date	Filings and Proceedings
Nov. 23, 1984	DOCKETED CAUSE AND ENTERED APPEARANCE OF COUNSEL.
Jan. 24, 1985	Filed order (C/A) (1) These appeals (84-7794 & 84-7798 & 84-7799) are consolidated.
Dec. 10, 1985	ARGUED & SUBMITTED BEFORE: WRIGHT, KENNEDY, BEEZER, CJJ.
July 17, 1986	ORDERED OPINION FILED (KENNEDY) AND JUDGMENT TO BE FILED AND ENTERED.
July 17, 1986	FILED OPINION—AFFIRMED.
July 17, 1986	FILED AND ENTERED JUDGMENT
Aug 10, 1986	Filed & 42 Joint Appellants' Petition for Rehearing & Suggestion of Rehearing En Banc. (Panel, all active judges) (15 pps) 8/7/87

Date	Filings and Proceedings
Sept 16, 1986	Filed order (WRIGHT, KENNEDY & BEEZER) Appellee is requested to file a response to aplt's petition for rehearing on or before 9/29/87. 9/16 ch
Sept 29, 1986	Filed Orig. & 33 copies of aple's response to the petition for rehearing with suggestion for rehearing en banc. (15 pgs) 9/28 (PANEL & ALL ACTIVE JUDTS) cal
Dec 1, 1986	Filed order (WRIGHT, KENNEDY, BEEZER) The petition for rehearing is denied and the suggestion for a rehearing en banc is rejected. ch.
Jan 13, 1987	MANDATE ISSUED—COSTS TAXED.

UNITED STATES TAX COURT

Docket No. 13620-84

ROBERT L. HERNANDEZ,
Petitioner.

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

RELEVANT DOCKET ENTRIES

Date	Filings and Proceedings
May 14, 1984	PETITION FILED: FEE PAID May 17, 1984
July 2, 1984	ANSWER by Resp. (C/S 6/29/84)
Jul 3, 1984	STIPULATION that case be bound by test cases dkt. Nos. 5837-76, 9384-79 and 374-80.
Mar. 6, 1986	ORDER that Petr's. Motion for Entry of Final Decision is granted. Further DECISION ENTERED, Judge Sterrett.
Mar 17, 1986	NOTICE OF APPEAL to U.S.C.A. First Circuit, filed petitioner. Mar 20, 1986

UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

Case No. 86-1276

ROBERT L. HERNANDEZ,
Petitioner, Appellant,
v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent, Appellee.

RELEVANT DOCKET ENTRIES

Date	Filings and Proceedings
March 25, 1986	Copy of notice of appeal and docket entries received and filed. Cases docketed. Notices mailed. (lb)
Jan. 6, 1987	Heard before JJ. Coffin, Selya and Gignoux. (sb)
June 1, 1987	DECREE: The judgment of the tax court is affirmed. Opinion of the court by Coffin, J. Notices mailed. (jd)
June 22, 1987	Appellant's petition for rehearing and suggestion of rehearing en banc, received and filed. (nal)
July 15, 1987	Order (Campbell, Ch. J., Coffin, Bownes, Breyer, Tortfuella, Belya and Gignoux, JJ.) denying the petition for rehearing and the suggestion for rehearing en banc Notices mailed. (lb)
July 23, 1987	Taxation of costs filed. Mandate issued, copy filed. Original papers to follow, Notices mailed (jd)

UNITED STATES TAX COURT

Docket No. 5837-76

KATHERINE JEAN GRAHAM,
Petitioner
v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

AMENDED PETITION

Petitioner, leave of Court having first been obtained, hereby amends her petition for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency dated April 7, 1976, and alleges as follows:

1. Petitioner is an individual with legal residence now at 1404 North Catalina Street, Los Angeles, California. Petitioner's social security number is 191-34-5323. The return for the period here involved was filed with the Hawaii District Office of the Internal Revenue Service or with the Internal Revenue Service Center serving the Hawaii District Office at the time the return was filed.

2. The notice of deficiency was mailed to petitioner on April 7, 1976, and was issued by the District Office of the Internal Revenue Service in Honolulu, Hawaii. A true and correct copy of said notice, including the statement and schedules accompanying the notice, is attached to this petition and marked Exhibit A.

3. The deficiencies as determined by the Commissioner are in income tax for the calendar year 1972, in the amount of $316.24. The entire amount of $316.24 is in dispute.

4. The determination of tax set forth in said notice of deficiency is based upon the following errors:

(a) The Commissioner erroneously disallowed contributions of $1,682.00 (referred to in paragraph (a) of Statement Schedule 2 attached to the notice of deficiency) as charitable contributions deductible under I.R.C. § 170.

(b) The Commissioner erroneously determined that the organizations to which the contributions were made (referred to as the "Church of Scientology" in paragraph (a) of Statement Schedule 2 attached to the notice of deficiency) were not churches within the meaning of I.R.C. § 170(b), were not corporations described in I.R.C. § 170(c)(2) and were not organizations described in I.R.C. § 501(c)(3).

(c) The Commissioner erroneously determined that the contributions were not gifts or contributions within the meaning of I.R.C. § 170(c).

(d) The Commissioner erroneously based his determination that the contributions were not gifts or contributions upon a definition which results in disparate treatment of petitioner as compared to members of religions other than Scientology, in violation of the religion clauses of the first amendment.

(e) I.R.C. § 170 is unconstitutionally vague because it lacks sufficient guidelines and standards to prevent arbitrary applications in areas abutting the exercise of first amendment rights.

(f) The denial of the deduction was without any valid secular purpose and proceeded from an invidious, class-based policy of discrimination against petitioner, her religion, the Church and the Mission in violation of the first amendment and the due process clause of the fifth amendment.

(g) The construction and application of § I.R.C. so as to disqualify petitioner's contributions for deduction deny her, the Church and the Mission the equal protection of the laws.

(h) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction have the primary effect of disfavoring petitioner's religion and establishing a preference for other denominations in violation of the inter-sectarian neutrality requirement of the first amendment.

(i) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction result in excessive government entanglement with religion in violation of the first amendment.

(j) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction impair free exercise and associational rights guaranteed petitioner and her religion by the first amendment.

5. The facts upon which petitioner relies in this case are as follows:

(a) Scientology is and at all relevant times was a religion within the purview of the first amendment.

(b) Petitioner is and at all relevant times was a Scientologist.

(c) Petitioner made the contributions disallowed by the Commissioner to the Church of Scientology of Hawaii (hereinafter called "the Church") and to the Dianetics and Scientology Center of Hawaii (hereinafter called "the Mission").

(d) At all relevant times, the Church was a church within the meaning of I.R.C. § 170(b)(1)(A)(i), was a corporation described in I.R.C. § 170(c)(2) and was an organization described in I.R.C. § 501(c)(3).

(e) At all relevant times, the Mission was a church within the meaning of I.R.C. § 170(b)(1)(A)(i), was a corporation described in I.R.C. § 170(c)(2)

and was an organization described in I.R.C.§ 501 (c) (3).

(f) Petitioner neither received nor expected to receive anything with respect to her contributions other than her and her children's participation in religious services ministered by the Church and Mission.

(g) It is a religious doctrine of Scientology that the benefits resulting from the participation of any individual in such religious services benefits the religion of Scientology and all Mankind.

(h) Petitioner's contributions to the Church and Mission were made in accordance with ecclesiastical policies as to how they shall obtain funds for their support, and in accordance with religious doctrines of Scientology.

(i) No part of the funds received by the Church and Mission from petitioner was required to be or was set aside or earmarked for the benefit of petitioner or for any other purpose other than the religious purposes of the Church and Mission.

(j) The deductibility of payments as charitable contributions is an important factor in the ability of an exempt organization to raise funds for its support.

(k) Denial of the charitable contribution deduction for the contributions made by petitioner and similarly situated Scientologists would adversely and substantially affect the ability of petitioner and other Scientologists to support their churches and would adversely and substantially affect the ability of Churches and Missions of Scientology to obtain funds for their support.

(l) Members of sects and denominations including Scientology pay money to their churches, and participate in the religious services ministered by their churches.

(m) The Commissioner allows deductions under I.R.C. § 170 for such payments by such members, with the exception of Scientologists.

(n) The Commissioner's disapproval of the Scientology religion was a substantial factor in his decision to disallow the deduction to petitioner for her contributions to the Church and Mission.

(o) The Commissioner's disallowance of the deduction for petitioner's contributions resulted from an evaluation of the religious services, practices and beliefs of the Church, the Mission, and their members, including petitioner.

(p) The Commissioner's disallowance of the deduction for petitioner's contributions results in further evaluation of the religious services, practices and beliefs of the Church, the Mission, and their members, including petitioner.

WHEREFORE, the petitioner prays that this Court may hear the case and determine that there is no deficiency due from petitioner for the calendar year 1972.

Dated: September —, 1982

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90027
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UNITED STATES TAX COURT

Docket No. 5837-76

KATHERINE JEAN GRAHAM,
Petitioner,
v.
COMMISSIONER OF INTERNAL REVENUE,
Respondent.

ANSWER TO AMENDED PETITION

1., 2. and 3. Admits.

4. Denies.

5. (a) Admits.

5. (b) through 5. (p), inclusive. Denies.

6. Denies each and every allegation of the amended petition not hereinbefore specifically admitted, qualified or denied.

WHEREFORE, it is prayed that the deficiency determined by the respondent be in all respect approved.

KENNETH W. GIDEON
Chief Counsel
Internal Revenue Service

By: /s/ Paul G. Wilson
PAUL G. WILSON
Assistant District Counsel

Date: 26 Nov. 1982

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(Certificate of Service Omitted in Printing)

UNITED STATES TAX COURT

Docket No. 9384-79

RICHARD M. HERMANN,
Petitioner
v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

AMENDED PETITION

Petitioner, leave of Court having first been obtained, hereby amends his petition for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency dated April 4, 1979, and alleges as follows:

1. Petitioner is an individual with legal residence now at 2339 Prosser Avenue, Los Angeles, California. Petitioner's social security number is 556-84-3322. The return for the period here involved was filed with the Internal Revenue Service Center in Fresno, California.

2. The notice of deficiency was mailed to petitioner on April 4, 1979, and was issued by the District Office of the Internal Revenue Service at Los Angeles, California. A true and correct copy of said notice, including the statement and schedules accompanying the notice, is attached to this petition and marked Exhibit A.

3. The deficiencies as determined by the Commissioner are in income tax for the calendar year 1979, in the amount of $803.00. Virtually the entire amount of $803.00 is in dispute.

4. The determination of tax set forth in said notice of deficiency is based upon the following errors:

(a) The Commissioner erroneously disallowed contributions of $3,922.00 (referred to in paragraph (b) of Statement Schedule 2 attached to the notice of deficiency as charitable contributions deductible under I.R.C. § 170.

(b) The Commissioner erroneously determined that the organization to which the contributions were made, the Church of Scientology of California, was not a church within the meaning of I.R.C. § 170(b), was not a corporation described in I.R.C. § 170 (c)(2) and was not an organization described in I.R.C. § 501(c)(3).

(c) The Commissioner erroneously determined that the contributions were not gifts or contributions within the meaning of I.R.C. § 170(c).

(d) I.R.C. § 170 is unconstitutionally vague because it lacks sufficient guidelines and standards to prevent arbitrary applications in areas abutting the exercise of first amendment rights.

(e) The denial of the deduction was without any legitimate secular purpose and proceeded from an invidious, class-based policy of discrimination against petitioner, his Church, and his religion, in violation of the first amendment and the due process clause of the fifth amendment.

(f) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction deny him, his Church, and his religion the equal protection of the laws.

(g) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction have the primary effect of disfavoring petitioner, his Church, and his religion and establishing a preference for other denominations and their members and Churches in violation of the inter-sectarian neutrality requirement of the first amendment.

(h) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction result in excessive government entanglement with religion in violation of the first amendment.

(i) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction impair free exercises and associated rights guaranteed petitioner, his Church, and his religion by the first amendment.

5. The facts upon which petitioner relies in this case are as follows:

(a) Scientology is and at all relevant times was a religion within the purview of the first amendment.

(b) Petitioner is and at all relevant times was a Scientologist.

(c) Petitioner made the contributions disallowed by the Commissioner to the Church of Scientology of California (hereinafter called "the Church").

(d) At all relevant times, the Church was a church within the meaning of I.R.C. § 170(b)(1)(A)(i), was a corporation described in I.R.C. § 170(c)(2) and was an organization described in I.R.C. § 501 (c)(3).

(e) Petitioner neither received nor expected to receive anything with respect to his contributions other than his participation in religious services ministered by the Church.

(f) It is a religious doctrine of Scientology that the benefits resulting from the participation of any individual in such religious services benefits the religion of Scientology and all Mankind.

(g) Petitioner's contributions to the Church were made in accordance with ecclesiastical policies as to how it shall obtain funds for its support, and in accordance with religious doctrines of Scientology.

(h) No part of the funds received by the Church from petitioner was required to be or was set aside or earmarked for the benefit of petitioner or for any other purpose other than the religious purposes of the Church.

(i) The deductibility of payments as charitable contributions is an important factor in the ability of an exempt organization to raise funds for its support.

(j) Denial of the charitable contribution deduction for the contributions made by petitioner and similarly situated Scientologists would adversely and substantially affect the ability of petitioner and other Scientologists to support their churches and would adversely and substantially affect the ability of Churches and Missions of Scientology to obtain funds for their support.

(k) Members of sects and denominations, including Scientologists, pay money to their churches without receiving or expecting to receive any benefit or return that the benefit of religious services ministered by their churches.

(l) The Commissioner allows deductions under I.R.C. § 170 for such payments by such members, with the exception of Scientologists.

(m) The Commissioner's disapproval of the Scientology religion was a substantial factor in his decision to disallow the deduction to petitioner for his contributions to the Church.

(n) The Commissioner's disallowance of the deduction for petitioner's contributions resulted from an evaluation of the religious services, practices and beliefs of the Church and its members, including petitioner.

(o) The Commissioner's disallowance of the deduction for petitioner's contributions results in further evaluation of the religious services, practices and beliefs of the Church and its members, including petitioner.

WHEREFORE, the petitioner prays that this Court may hear the case and determine that there is no deficiency due from petitioner for the calendar year 1975.

Dated: November 16, 1982

/s/ C. Cobb
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Los Angeles, California 90027
Tel. (213) 660-5348

UNITED STATES TAX COURT

RICHARD M. HERMAN,
Docket No. 9384-79
Petitioner,
v.
COMMISSIONER OF INTERNAL REVENUE,
Respondent.

ANSWER TO AMENDED PETITION

1., 2. and 3. Admits.

4. Denies.

5.(a) Admits.

5.(b) through 5.(o), inclusive. Denies.

6. Denies each and every allegation of the amended petition not hereinbefore specifically admitted, qualified or denied.

WHEREFORE, it is prayed that the deficiency determined by the respondent be in all respects approved.

KENNETH W. GIDEON
Chief Counsel
Internal Revenue Service

By: /s/ Paul G. Wilson
PAUL G. WILSON
Assistant District Counsel

Date: 26 Nov. 1982

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(Certificate of Service Omitted in Printing)

UNITED STATES TAX COURT

Docket No. 374-80
DAVID FORBES MAYNARD,
Petitioner
v.
COMMISSIONER OF INTERNAL REVENUE
Respondent.

AMENDED PETITION

Petitioner, leave of Court having first been obtained, hereby amends his petition for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency dated November 14, 1979, and alleges as follows:

1. Petitioner is an individual with legal residence now at 3461 Anderson Street, Riverside, California. Petitioner's social security number is 554-82-5908. The return for the period here involved was filed with the Internal Revenue Service Center in Fresno, California.

2. The notice of deficiency was mailed to petitioners on November 14, 1979, and was issued by the District Office of the Internal Revenue Service Center in Fresno, California. A true and correct copy of said notice, including the statement and schedules accompanying the notice, is attached to this petition and marked Exhibit A.

3. The deficiencies as determined by the Commissioner are in income tax for the calendar year 1977, in the amount of $643.00. The entire amount of $643.00 is in dispute.

4. The determination of tax set forth in said notice of deficiency is based upon the following errors:

(a) The Commissioner erroneously disallowed contributions in the amount of approximately $5,000.00 as charitable contributions deductible under I.R.C. § 170.

(b) The Commissioner erroneously determined that the Church of Scientology, Mission of Riverside ["the Church" herinafter], was not a church within the meaning of I.R.C. § 170 (b), was not a corporation described in I.R.C. § 170(c) (2) and was not an organization described in I.R.C. § 501(c) (3).

(c) The Commissioner erroneously determined that the contributions were not gifts or contributions within the meaning of I.R.C. § 170(c).

(d) I.R.C. § 170 is unconstitutionally vague because it lacks sufficient guidelines and standards to prevent arbitrary applications in areas abutting the exercise of first amendment rights.

(e) The denial of the deduction was without any legitimate secular purpose and proceeded from an invidious, class-based policy of discrimination against petitioner, his Church, and his religion, in violation of the first amendment and the due process clause of the fifth amendment.

(f) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction deny him, his Church, and his religion the equal protection of the laws.

(g) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction have the primary effect of disfavoring petitioner, his Church, and his religion and establishing a preference for other denominations and their members and Churches in violation of the inter-sectarian neutrality requirement of the first amendment.

(h) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction result in excessive government entanglement with religion in violation of the first amendment.

(i) The construction and application of I.R.C. § 170 so as to disqualify petitioner's contributions for deduction impair free exercise and associational rights guaranteed petitioner, his Church, and his religion by the first amendment.

5. The facts upon which petitioner relies in this case are as follows:

(a) Scientology is and all relevant times was religion within the purview of the first amendment.

(b) Petitioner is and at all relevant times was a Scientologist.

(c) Petitioner made the contributions disallowed by the Commissioner to the Church of Scientology, Mission of Riverside.

(d) At all relevant times, the Church was a church within the meaning of I.R.C. § 170(b) (1) (A) (i), was a corporation described in I.R.C. § 170(c) (2) and was an organization described in I.R.C. § 501 (c) (3).

(e) Petitioner neither received nor expected to receive anything with respect to his contributions other than participation in religious services ministered by the Church.

(f) It is a religious doctrine of Scientology that the benefits resulting from the participation of any individual in such religious services benefits the religion of Scientology and all Mankind.

(g) Petitioner's contributions to the Church were made in accordance with ecclesiastical policies as to how it shall obtain funds for its support, and in accordance with religious doctrines of Scientology.

(h) No part of the funds received by the Church from petitioner was required to be or was set aside or earmarked for the benefit of petitioner or for any other purpose other than the religious purposes of the Church.

(i) The deductibility of payments as charitable contributions is an important factor in the ability of an exempt organization to raise funds for its support.

(j) Denial of the charitable contribution deduction for the contributions made by petitioner and similarly situated Scientologists would adversely and substantially affect the ability of petitioner and other Scientologists to support their churches and would adversely and substantially affect the ability of Churches and Missions of Scientology to obtain funds for their support.

(k) Members of sects and denominations, including Scientologists, pay money to their churches without receiving or expecting to receive any benefit or return other than the benefit of religious services ministered by their churches.

(l) The Commissioner allows deductions under I.R.C. § 170 for such payments by such members, with the exception of Scientologists.

(m) The Commissioner's disapproval of the Scientology religion was a substantial factor in his decision to disallow the deduction to petitioner for his contributions to the Church.

(n) The Commissioner's disallowance of the deduction for petitioner's contributions resulted from an evaluation of the religious services, practices and beliefs of the Church and its members, including petitioner.

(o) The Commissioner's disallowance of the deduction for petitioner's contributions results in further

evaluation of the religious services, practices and beliefs of the Church and its members, including petitioner.

WHEREFORE, the petitioner prays that this Court may hear the case and determine that there is no deficiency due from petitioner for the calendar year 1977.

Dated: November 16, 1982

/s/ C. Cobb
CHRISTOPHER COBB
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UNITED STATES TAX COURT

Docket No. 374-80

DAVID FORBES MAYNARD,
Petitioner,
v.
COMMISSIONER OF INTERNAL REVENUE,
Respondent.

1., 2. and 3. Admits

4. Denies.

5.(a) Admits.

5.(b) through 5.(o), inclusive. Denies.

6. Denies each and every allegation of the amended petition not hereinbefore specifically admitted, qualified or denied.

WHEREFORE, it is prayed that the deficiency determined by the respondent be in all respects approved.

KENNETH W. GIDEON
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Internal Revenue Service

By: /s/ Paul G. Wilson
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Date: 26 Nov. 1982

(Certificate of Service Omitted in Printing)

UNITED STATES TAX COURT

Docket No. 5837-76

KATHERINE JEAN GRAHAM,
Petitioner,
v.
COMMISSIONER OF INTERNAL REVENUE,
Respondent.

[Filed Dec. 6, 1982]

STIPULATION #1

In accordance with Tax Court Rule 91, the parties hereby stipulate the matters hereinafter stated, subject to the rights of the parties to introduce other and further evidence not inconsistent herewith and reserving to each of the parties the right to object to the materiality or relevance hereof in whole or in part.

1. Petitioner maintained her legal residence at 743 Pumehana, Hawaii, at the time of the filing of the petition herein.

2. Petitioner filed a timely Federal Income Tax return for the taxable year ending December 31, 1972, a true and correct copy of which is attached hereto and marked as Joint Exhibit 1-A.

3. Petitioner's income tax return for said taxable year was examined by respondent, who, on April 7, 1976, issued a notice of deficiency, a true and correct copy of which is attached hereto and marked as Joint Exhibit 2-B.

4. Petitioner claimed a charitable contribution deduction under I.R.C. § 170 for $2,379.50 transferred to the Church of Scientology of Hawaii and to the Scientology and Dianetic Center of Hawaii.

5. Each of Exhibits C through Q is a document received by petitioner from the Church of Scientology of Hawaii or from the Scientology and Dianetics Center of Hawaii, reflecting transactions of petitioner with one or the other of them.

6. During November of 1972, petitioner paid $200.00 to the Church of Scientology of Hawaii for Auditing, which payment is not reflected on respondent's Exhibits C through Q.

7. The neologisms "Scientology" and "Dianetics" were introduced by L. Ron Hubbard. Mr. Hubbard wrote *Dianetics: The Modern Science of Mental Health*, which was published in 1950 and which sets forth the general principles of Dianetics and Dianetic Auditing as discovered and developed to 1950.

8. Some of the beliefs and practices of Scientology are roughly described in lay terms in *Scientology, A World Religion Emerges in the Space Age*, a book copyrighted by L. Ron Hubbard. Respondent's Exhibit R attached hereto is a true copy of said book. Petitioner objects to said exhibit on grounds of relevance, hearsay and the first amendment.

9. The Church of Scientology of Hawaii is, and is considered by the Churches of Scientology to be, a church of the kind referred to by Scientologists as a "Class IV Church" or "Class IV Org." The Scientology and Dianetics Center of Hawaii is, and is considered by Churches of Scientology to be, a church of the kind referred to by Scientologists as a "Mission."

10. There are many churches and missions in the United States and in other countries which practice, teach and promulgate Scientology. As used herein, "Churches of Scientology" refers collectively to such

churches and missions, and "Scientologist" refers to members of such churches and missions.

11. The Churches of Scientology, including the Church of Scientology of Hawaii and the Scientology and Dianetics Center of Hawaii, follow common doctrines, practices and beliefs of Scientology.

12. The Churches of Scientology offer Auditing and courses to Scientologists.

13. Auditing, also variously referred to as "processing," "counseling" and "pastorial counselling," is conducted by a specially trained Scientologist, referred to as an "Auditor."

14. Auditing is generally conducted in a private session one to one, between the Auditor and the person being Audited.

15. Every Auditing session is structured and conducted in exact accordance with rituals, codes, doctrines and tenets of Scientology.

16. Scientologists are taught that the individual is an immortal spirit who has a mind and a body. Scientologists are also taught that the highest level of spiritual ability and awareness can be attained only by progressing on a step by step basis through lower and intermediate levels of Auditing.

17. The structure, ritual and content of each Auditing session are determined by the level of attainment of the Scientologist being Audited.

18. Some of the rituals used in Auditing include questions, commands and drills.

19. The Auditor acknowledges the response of the person being Audited, but offers no analysis of the response to the person being Audited.

20. An E-Meter is a device used in Auditing.

21. Auditing is delivered in sessions. An "Intensive" is a specific number of hours of Auditing intended to be

given over a short period of time. An intensive is 12½ or 25 hours of Auditing and usually involves 12½ hours of Auditing.

22. An Auditor who conducts a session is expected to know and understand the rituals, codes, tenets and doctrines of Scientology applicable to the conduct of Auditing generally and to have mastered the particular material to be used in the session.

23. No subject matter is taught, studied or learned during an Auditing session (except that the Scientologist being Audited necessarily learns and understands the particular practice used in the session).

24. The Churches of Scientology offer courses to provide training in the doctrines, tenets, codes, policies and practices of Scientology and to train Scientologists as Auditors.

25. Training is delivered to Scientologists under the supervision of a trained Scientologist. Training is delivered in courses each of which includes specific material to be mastered by the students in order to complete the course. Courses range from basic courses which introduce the doctrines and tenets of Scientology through courses which train and qualify Auditors to deliver Auditing at the highest levels.

26. It is a doctrine of Scientology, and Scientologists are taught, that spiritual gains result from the study and understanding of the doctrines, codes and tenets of Scientology, whether or not the students receives Auditing.

27. Scientologists believe that they can attain benefits from Auditing, but only in degrees or steps. These include levels called "Grades" and higher levels called "OT Sections."

28. Respondent's Exhibit S attached hereto is a copy of a document headed "THE BRIDGE" which was published by the Church of Scientology of California. Petitioner objects to said exhibit on grounds of relevance, hearsay and the first amendment.

29. In contrast to Auditing, Auditor training and other courses furnished by the Churches of Scientology are instructional or educational; the student is expected to understand and learn the material which is the subject matter of the particular course he or she takes. As used herein, "course" means and refers to such services and not to Auditing. Some courses include Auditing by students and Auditing of students.

30. The Churches of Scientology deliver Auditing and training at various levels. A Scientologist who receives Auditing begins at the lowest level and progresses step by step to higher and higher levels. A Scientologist who receives training also begins at the lowest level and progresses step by step to higher and higher levels. Only Auditors who have been qualified by training at an appropriate level can deliver Auditing at that level.

31. Some of the Churches of Scientology also deliver administrator and executive training courses. The students in such courses are taught the management methods and policies of the Churches of Scientology, and are mostly staff members of the Churches of Scientology. Such courses are occasionally taken by Scientologists who are not staff members. The subject matter of such courses includes Scientology doctrines, tenets and codes which are applicable to the administration and management of Scientology organizations.

32. The Churches of Scientology also deliver a few short courses of a general educational nature, designed to remedy educational deficiencies and to teach Scientology study methods, to enable the student to progress more rapidly in Scientology courses.

33. All of the courses offered by the Churches of Scientology are founded upon the doctrines and tenets of Scientology, in the manner of presenting the material studied and in the instructional methods.

34. The Scientology and Dianetic Center of Hawaii offers Auditing at Grades I through IV.

35. The Church of Scientology of Hawaii offers Auditing from Grade I through Grade IV and Auditor training from Class I through Class IV.

36. The Churches of Scientology have established charges for Auditing and for courses they deliver, and refer to payments of such charges as "fixed donations" or "fixed contributions." Such payments are hereinafter referred to as "fixed donations."

37. Fixed donations are sometimes made for an Intensive of 12½ or 25 hours of Auditing.

38. Respondent's Exhibit T attached hereto is a copy of a schedule of fixed donations and book order form, copyrighted by L. Ron Hubbard and published by the Church of Scientology of California. Petitioner objects to said exhibit on grounds of relevance, hearsay and the first amendment.

39. Fixed donations constitute the source of most of the funds of the Churches of Scientology. Their only other source of funds is from sales of Scientology literature, tapes of lectures by L. Ron Hubbard (the founder of Scientology) and artifacts.

40. The payments made by petitioner were fixed donations.

41. The Churches of Scientology do not actively solicit contributions from their members or from the public other than fixed donations.

42. Petitioner first became a Scientologist in 1971 when she attended activities of the Scientology and Dianetics Center of Hawaii.

43. The Hubbard Qualified Scientologist Course (HQS) is an introductory course, one purpose of which is to familiarize the student with certain basic techniques used in Auditing.

44. Respondent's Exhibit U attached hereto is a copy of a pamphlet copyrighted by L. Ron Hubbard and published by the Church of Scientology of California. Petitioner objects to said exhibit on grounds of relevance, hearsay and the first amendment.

45. The Communications Course is an introductory course one purpose of which is to introduce those unfamiliar with Scientology to certain concepts of Scientology.

46. Respondent's Exhibit V attached hereto is a copy of a pamphlet copyrighted by L. Ron Hubbard and published by the Church of Scientology of California. Petitioner objects to said exhibit on grounds of relevance, hearsay and the first amendment.

47. The Communications Course referred to in respondent's Exhibit H was attended by petitioner's daughter, Karen.

48. The Communications Course referred to in respondent's Exhibit I was attended by petitioner's daughter, Laurel.

49. The Hubbard Qualified Scientologist Course referred to in respondent's Exhibit J was attended by petitioner's daughter, Karen.

50. The Hubbard Qualified Scientologist Course referred to in respondent's Exhibit K was attended by petitioner's daughter, Laurel.

51. Respondent's Exhibits W through AQ attached hereto are copies of documents, each of which was published and/or copyrighted as follows:

W Two page flyer, first page headed "Knowledge Services—Books," published by ASHO (Church of Scientology of California) and copyrighted by L. Ron Hubbard.

X Booklet entitled "Scientology & Dianetics," published by Church of Scientology of California.

Y Magazine, the cover of which is missing, published by the Founding Church of Scientology of Washington, D.C. and commencing with an article entitled "The Dangerous Environment."

Z Booklet entitled "Church of Scientology Information, Definitions, Rules," copyrighted by L. Ron Hubbard.

AA Flyer Entitled "Gain Respect for Self and Others Through Scientology Training," published by the Los Angeles Organization (Church of Scientology of California) and copyright by L. Ron Hubbard.

AB Flyer entitled "Your Road to Total Freedom," published by Church of Scientology of California and copyrighted by L. Ron Hubbard.

AC Flyer commencing with excerpts titled "On Exchange," published by the San Francisco Organization (Church of Scientology of California) and copyright by L. Ron Hubbard.

AD Flyer entitled "Scientology Auditing gives you a chance to handle your environment better," published by The Church of Scientology Foundation (Church of Scientology of California) and copyrighted by L. Ron Hubbard.

AE Booklet entitled "Your Road to Clear Goes through ASHO Foundation," published by Church of Scientology of California and copyrighted by L. Ron Hubbard.

AF Magazine entitled "Advance," Issue 18, published by the Advanced Organization (Church of Scientology of California) and copyright by L. Ron Hubbard.

AG Magazine entitled "Advance," Issue 19, published by the Advanced Organization (Church of Scientology of California) and copyright by L. Ron Hubbard.

AH Magazine entitled "Gateway," Issue 61, published by the Church of Scientology in San Francisco (Church of Scientology of California) and copyright by L. Ron Hubbard and copyright by L. Ron Hubbard.

AI Magazine entitled "Gateway", Issue 73, published by the Church of Scientology in San Francisco (Church of Scientology of California).

AJ Magazine entitled "THE AUDITOR: The Monthly Journal of Scientology," Issue 92 Worldwide, published by New American Saint Hill Organization (Church of Scientology of California) and copyright by L. Ron Hubbard and copyright by L. Ron Hubbard.

AK Magazine entitled "THE AUDITOR: The Monthly Journal of Scientology," Issue 91 Worldwide, published by New American Saint Hill Organization (Church of Scientology of California).

AL Magazine entitled "Cause," Issue 26, published by ASHO Foundation (Church of Scientology of California) and copyright by L. Ron Hubbard.

AM Magazine entitled "Cause," Issue 26, published by ASHO Foundation (Church of Scientology of California) and copyright by L. Ron Hubbard.

AN Magazine entitled "Clear News," Issue 107, published by AOLA (Advanced Organization, Los Angeles—Church of Scientology of California) and copyright by L. Ron Hubbard.

AO Magazine entitled "Clear News," Issue 104, published by AOLA (Advanced Organization, Los Angeles—Church of Scientology of California) and copyright by L. Ron Hubbard.

AP Magazine entitled "Realty," Major Issue 96 published by Church of Scientology of California and copyright by L. Ron Hubbard.

AQ Magazine entitled "Realty," Issue 103, published by Church of Scientology of California.

Petitioner objects to each of said exhibits on grounds of relevance, hearsay and the first amendment.

52. Respondent has not contested and will not contest, but only for the purposes of this litigation, petitioner's contention that Scientology was at all relevant times a religion.

53. Respondent has not contested and will not contest, but only for the purposes of this litigation, petitioner's contention that each Scientology organization to which petitioner paid money was at all relevant times a church within the meaning of I.R.C. § 170(b)(1)(A)(i), a corporation described in I.R.C. § 170(c)(2) and exempt from general income taxation under I.R.C. § 501(a) as an organization described I.R.C. § 501(c)(3).

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UNITED STATES TAX COURT

(Title Omitted in Printing)

EXCERPTS OF TRIAL TESTIMONY

TESTIMONY OF BRUCE GAINES

* * * *

[101] Q. Would you please describe for the Court what Scientology is.

A. Sure. Scientology—the word comes from Latin scio and ology. Scio meaning knowing in the fullest sense of the word and ology being the study of knowing—or the study [102] of whatever the prefix is. So Scientology basically means the study of knowing in the full sense of the word. Now, one of the basic tenets of Scientology is that man is basically—the real man is basically a spirit. That man is actually composed of a spirit which has lived for thousands and thousands of lives.

And he has a mind which he used to remember with, to compute with, think with and to—as an assist in controlling the body in the physical universe, and then he has a body. He is not that body. He is himself a spiritual being.

Now one of the other important points about Scientology and the approach that we take is there are many other religions that believe that man is a spiritual being, and that he reincarnates throughout various bodies time and time again.

But what we try to achieve is a gradient approach to the person discovering himself, his true nature. And his nature as a spiritual being or Thetan, as we call it. Now, it's been found quite unworkable. The person comes in off the street, and you say to him, well, fellow,

you're a spiritual being. You've lived thousands of years, and you know, you've got all these abilities, and you've got—you've just forgotten all this stuff.

And you now think you're a body, but actually you're [103] really a spirit so knock it off and actually all the barriers that you have—that you're actually achieving the full nature of the spirit or they were put there by you so knock it off, and just return to your native state.

This is found to be not only not workable, but gets you a few rather strange glances. So the procedure of auditing is a gradient approach to allowing the person and guiding the person into looking at himself and realizing more and more about himself and his nature.

And the goal of that is to get the person to truly realize his spiritual nature. Now, there are a few things about this spiritual nature is that one of the discoveries and basic tenents of dianetics which was the precursor of Scientology was that man is trying to survive.

Well, life is trying to survive, and life is not just trying to survive as himself, but he is trying to survive in a much broader area which we break down as what we call the eight dynamics.

Now, the dynamics are basically the urge to survive as self, as one's self, one's possessions, one's success in life, and the urge to survive through the sexual act and family where one has—one tries to survive through building up families and having children to carry one's name, et cetera, and through one's groups that one belongs to whether these are small groups like a PTA or a larger group like a [104] nation or a race, and also he is seeking to survive through humanity itself. He actually has a vested interest in the survival of the entire human race.

And he's also seeking to survive through living things, all living things including plants and animals, and he's also seeking to survive through the physical universe itself. Everything that is contained within the physical universe which we see around us.

These wooden or carpeted or whatever things and the space that contains them. It's part of the physical universe and he's seeking to survive through that. And he's also seeking to survive through the spiritual universe.

Now, our viewpoint is that spiritual universe is actually senior to the physical universe in that the physical universe is created through the agency of the spiritual universe, and beyond that, he is seeking to survive through the eighth dynamic or God, the supreme being or infinity.

And these things are all inclusive one within another. The self is included within the family. The family is a type of group. The group is a part of humanity. Humanity is a part of all living things. All living things are a part of the physical universe, and from our beliefs the physical universe is actually a part of the spiritual universe, and the spiritual universe is actually a part of [105] the eighth dynamic or God.

Now, so he's seeking to survive through those areas. Now, to the degree that he's not surviving, this is as a total result of his inability to know, or things he has forgotten. Now, this guy has lived through thousands and thousands of lives, and during those lives, there were things that happened to him.

There were many things that he did that he regretted. There were things that others did to others that he failed to handle and he feels bad about, and as a result of all these things, he has made decisions to lessen himself. For instance, the situation where he might do something harmful to another.

One of the basic things about a Thetan is that he is basically good. In his basic nature without any of the other junk that he has attached to himself called the mind with things in the mind, he is basically good. So when he does something that is harmful, he actually lessense his own power and awareness to prevent himself from doing more bad things to other people, and as he comes down through these various lives, he gets down

to the point where he actually finds himself today on earth in the body, and he actually thinks he's a body.

So this is a decrease in knowingness, in his knowingness of himself, in his knowingness of all the dynamics. [106] Now, knowingness of the dynamics is actually broken down in Scientology which is another important principle, and in understanding is broken down into what are called affinity, reality and communication.

Now, affinity is the degree of liking for something, or more technically it's the willingness to occupy the same space as something. In other words, if you have someone that you wouldn't want to be within 4,000 miles of this person, then your affinity level for this person is not very high.

So this is a degree of liking or tolerance of space. And reality is basically that which is real or that which is agreed upon, or the degree of agreement that two beings can come into play. And communication which is the most important part of this is the interchange of ideas between two living beings, and the way this relates is that they are actually interrelated in the sense that if you don't like someone it is very difficult to talk to them, and you find yourself not agreeing with them, but if you find things that you can agree with—when you can agree with them with then you can find yourself communicating more and your affinity actually raises.

So any point of this triangle or this tri-part type thing can be raised by raising one of them, and the most important part of that is communication because communication has been found to be the universal solvent, and once [107] communication is actually established, one finds that there are things that can agree upon, and things that you—one can like about you as a person or the subject being studied, and thus knowing this and understanding is increased.

I hope that's adequate.

Q. Pretty inclusive. Let me ask you this. How does dianetics fit into Scientology? You mentioned early—a precursor, but what is it now?

A. Well, within the practice, it's been incorporated within the religious body of Scientology. Dianetics was a precursor in the sense that through dianetics and through the practice of dianetics, L. Ron Hubbard discovered that people were—that this—the existence of earlier lives, and he found this in eventually all the people that were given the dianetic techniques, and so he said, now, wait a second.

What is this thing that goes through this earlier lives because you're basically not really settled that. You talked about the awareness, and the awareness unit, and you've talked about life, trying to survive, but he said, well, we don't really know what this life is and what the nature of it is.

But then whe he got—discovered this existence of earlier lives, and he decided he better study what this thing is, and he found in the Thetan that which—which goes through all these several lives in these several bodies, [108] and he started studying the nature of the Thetan and ways in which the abilities and the knowingness of the Thetan could be increased.

Now, dianetics in the present time does play a part in auditing procedure and it is in dianetics that one looks at these times in the past where one has had things happen to one and created or done things to others that one felt bad about or observed others doing things to others that one felt about not having handled.

Q. Now, I get a general idea of what the religion of Scientology is. What role does this auditing play in the religion?

A. Well, it's the central activity of the religion.

Q. Why is that?

A. Well, through auditing, the person actually comes to know, comes to know himself. He comes to know without any kind of telling him or evaluating for him or invalidating him or in any way even leading him into some sort of belief.

It's the way in which a person actually achieves knowingness which is what Scientology is about. It's the study of knowing how to know.

Q. What happens in an auditing session generally without regard to the specifics that go on?

A. Okay. In an auditing session, the auditor or the [109] minister sits in a room, closed, private room with what is called the pre-clear. That means a person who is not yet clear. He still is seeking to understand more about himself and life.

But he is not yet clear, and they sit across from each other with a table usually in between, and in most cases there is a E-Meter present and the pre-clear holds the cans of the E-Meter, and the auditor is in a position to observe the reactions on the E-Meter.

And basically, the auditor simply asks the pre-clear certain questions. Thees are specific questions and patterned questions which are laid out in the doctrines of L. Ron Hubbard and he listens to the pre-clear's answer and acknowledges him for that answer, and he may repeat the question as long as is necessary from the pre-clear to actually come to a realization on his own about himself or life.

Q. What is the—strike that. Does the auditor or the minister counsel in the ordinary sense of the word the pre-clear, advise him or tell him to do something to change his life or whatever?

A. No, there is no counseling in that sense. The person is just invited, and he's invited to look at certain areas of his life, and to come to the realization about those.

Q. Would an auditor ever tell him you're wrong or you did the wrong thing, or anything like that?

A. No. One of the major points of an auditor is there [110] is an ethical code which an auditor must follow called the Auditor's Code, and some of the points of that code that he must never evaluate for the person or tell him what he should think about himself.

Or he must never invalidate the person and tell him he's wrong or he's bad. If the person tells him this thing that he feels really bad about, the auditor is not permitted to say you did that. Or that was an awful thing to do. So he's never permitted to do that, and he's never permitted to get angry with the pre-clear at anytime during the auditing session.

He's never permitted to decide to walk off from the pre-clear when he's in the middle of something. He's—those are some of the main points of the Auditor's Code.

Q. Does an auditor teach a pre-clear anything?

A. No.

* * * *

[111] BY MR. HARRIS:

Q. What sort of training is done in the Scientology Church? We talked about auditing. I want to now go to the training side.

A. Right. Right. The main training which is done in the Scientology Church is to train a person to be an auditor or audit another.

Q. And in connection with this training, what is—how is it done generally? Just describe a course for me.

A. Okay. A course room would be a large room, say, maybe about the size of this, and there would be tables and there would be students, and there would be tape players, and a person would—in general, the general structure of the training course is the person studies certain of the materials that are written by L. Ron Hubbard.

He may also listen to tape recorded lectures by L. Ron Hubbard, and then he would drill or do exercises to enable him to smoothly do a counseling or an auditing session. And then he would actually go in and audit another person and he would also receive auditing himself as a part of the training course, the purpose of this being that he gets his knowingness himself on the materials and what happens and what is actually going on with the pre-clear.

MR. HARRIS: May I have just a moment, Your Honor?

THE COURT: Is the E-Meter an integral part of [112] auditing?

THE WITNESS: Usually. There are auditing procedures that don't use an E-Meter, but in most auditing procedures there are E-Meter is used.

THE COURT: I don't want to steal your thunder, but I would like to know under what circumstances you use an E-Meter, and under what circumstances you don't use an E-Meter.

THE WITNESS: Okay. The circumstances where you use an E-Meter is when you're doing something where you actually having the person look at himself and his mind. In other words, these are situations where you're having the person look into himself.

There are procedures in Scientology called objective processes where you actually get the person to look at and touch and familiarize yourself with the physical surroundings, his actual physical universe environment. I that situation you wouldn't use an E-Meter.

BY MR HARRIS:

Q. What percentage, Mr. Gaines, of the processes that are used in auditing are so-called objective processing? If you had to put a percentage on it?

A. If I had to put a percentage on it, about ten percent.

Q. All right.

THE COURT: So 90 percent of the auditing involves [113] an E-Meter; is that correct

THE WITNESS: Yes.

MR. HARRIS: Your Honor, I'm going to show the witness Exhibit 5—excuse me, S. Is that correct. Yes. I'm sorry. It is an S which is Respondent's exhibit attached to the Graham stipulation. You may have it already.

THE COURT: I do.

MR. HARRIS: And I'm going to do him a favor and really authenticate it. May I approach the witness, Your Honor?

THE COURT: Yes, indeed.

BY MR. HARRIS:

Q. You have seen Exhibit S?

A. Yes.

Q. Would you please look at Exhibit S for me?

A. Yes.

Q. What is Exhibit S?

A. This is the classification, gradation and awareness chart of levels and certificates.

Q. And what's its role?

A. Well, I talked about it a little bit before, the gradient approach to regaining full knowingness as a spirit and these—the right hand side of this chart describes the level that one goes through on auditing and the left hand side of the chart describes the levels that one goes through [114] and trains up on as an auditor in the training side.

Q. All right. Now, is the auditing that one receives on the training side, and that one gives the same as the auditing over on the right hand side of Exhibita S?

A. Yes, it is.

Q. Have you heard of the expression the training route to clear?

A. Yes.

Q. What is that?

A. Well, that's where a person decides to actually do the training courses of Scientology and where a person would with another student co-audit. In other words, he would audit that student and that student would audit him all the way up the levels. So in actual fact, he would get both the training and the data of Scientology as well as actually getting his own route to clear.

Q. And what is the—well, strike that. Does the Church, and I'm talking about each of the churches for which you've worked, does it encourage one side or the other of the bridge

A. Yes.

Q. Which?

A. Training side.

Q. Why?

[115] A. Because it's the church's basic goal is something we've described and it's to clear the planet, and what this means is to get enough people to the level of clear and OT and so that due to the fact that they have obtained this awareness themselves, they have become better persons.

They become more themselves, and therefore they create better effects on all of their dynamics. In other words, it's not just simply a situation where you're trying to help one person. This person—the purpose of helping this person is so that he can also go out and on all areas in his family, in his groups, in humanity, in living things, in the physical universe and the spiritual universe and with God, he can actually improve these areas.

Now, the idea scene or what we're trying to achieve is the clearing of the planet where enough people are actually have done this so that we have a new cilization without crime, insanity and war.

So now, when a person gets audited, there is some of this ripple effect across all of the dynamics because of the fact that he becomes more himself and he becomes more constructive, and he becomes a better person.

But when the person is also trained, that person has the understanding not only of himself but he also has the understanding of others and so that he can assist others to actually relieve himself of the sufferings of life, and

[116] And therefore, he creates a much larger and much broader effect on the environment around him.

Also, when the person does training, you get a trained person. You get on the co-auditing—you get—he's going to audit somebody else to clear. And also he is going to be audited to clear so you get more benefit in terms of the church's purpose from training than you would from just auditing.

* * * *

[117] Q. Could you tell me, Mr. Gaines, what is the HAS and just for the Court's benefit, maybe you can point it out on the grade chart. Exhibit S?

A. Right here. HAS, the second—on the left hand side, the second one up.

THE COURT: I get you.

THE WITNESS: Okay. The HAS is an abbreviation for the Hubbard Apprentice Scientologist. And what this course is is one studies some of the data of L. Ron Hubbard, and then one does exercises which are designed to improve ability and awareness in the area of communication by doing exercises on each of the parts. One of the things in Scientology is we have broken down communication into its parts and done [118] quite a bit of study in communication just because of the fact that it's the central part of the ARC triangle. So one does exercises to improve one's ability and awareness on each of the parts of the communication formula.

And usually one will study one of the introductory books for—of scientology as a part of this course.

BY MR. HARRIS:

Q. And what is the purpose of that, of the result that the church is seeking in that course?

A. Well, the result that the Church is seeking is a being who is much more able in the area of communication and thus will be able to actually listen to people, will be able to get across his ideas, and as a result he will have a better life and others around him will have a better life.

Q. All right. How about the HQS, and maybe you can describe where that is on Exhibit S?

A. Right here just below this line, not classed, HQS. Okay. That's the Hubbard Qualified Scientologist course, and in this course one studies more of the writings of L. Ron Hubbard, and one learns to do procedures called assists. Now, what assists are is a simple auditing procedure to help out a person who has become ill or injured and to help him to get over the spiritual effects of this traumatic experience.

And as a result of the course, the person actually is [119] able to do these assists on other people. Now, the other thing that is studied is what I talked about before in terms of the objective processes.

These are procedures where a spiritual being is oriented to the physical universe and gains awareness and control—gains awareness of his ability to control himself and the—himself in relation to his environment, and he actually receives auditing on these objective processes, and he delivers to another auditing on these objective processes. That's the HQS.

Q. Student hat.

A. Okay.

Q. Words, that, first of all, on the grade chart, if it is.

THE COURT: I remember what a hat is.

THE WITNESS: It's actually not on this grade—

BY MR. HARRIS:

Q. All right.

A. It's a prerequisite to all the Class 0 auditor, Class 1 auditor, Class 2 auditor. It is on the grade chart.

Q. What is the student hat?

A. Right. Student Hat is a course where one studies primarily the lectures of L. Ron Hubbard and some other —the writing of L. Ron Hubbard, and the purpose of this is to enable the person to study further courses in Scientology [120] and to be able to attain affinity, reality and

communication with the materials that one is studying, and it's basically some discoveries.

Let me just kind of divert a bit. One of the church's goals is in terms of training many, many people. The reason for this is that one can't—we can't all sort of hit at L. Ron Hubbard's door and wait for him to audit us. So we want to train a lot of people.

Now, many people have—they come in and they say, all right, we'll, I'd like to learn about this. But they didn't know how to study. In other words, they weren't able to really understand and be able to apply the materials of the auditor training.

So L. Ron Hubbard did some research into the area of study, and applying the understanding of what we have here on the Thetan mind and body to the area of study we came up with some discoveries on the nature of studying and what actually education really is.

And these are the things which are studied within the Student Hat and certain exercises are also done which enable the person to attain an understanding of materials that he is actually reading.

Q. This would be like a prerequisite to other training courses are you saying?

A. Yes, it is.

[121] Q. Okay. How about an action which is called HSDC?

A. Right.

Q. What is that and where is it on the grade chart, if it is.

A. It's not on this grade chart. This is prior, I think, prior to the—it's comparable to where—you see these little two lines here. This permanent HDC. Oh, that is the same thing. Standard dynamic—it's called standard dynamic auditor on here.

It's right above not-classed.

Q. Okay.

A. So that that means is Hubbard Standard Dianetic —Hubbard Standard Dianetics Course, and in this one

when studies the basic theory of the relation between the Thetan and the mind, and all these things which have the relation of the mind to these experiences that I described before which had happened to the person throughout this progression of lives.

And it contains the basic understanding of how to get the Thetan out of the barriers that he has created for himself as these experiences and a result of these things which he has put in his mind to—as he went through the progression of lives.

And one learns—one does again exercises in how to audit another person on standard dinetic auditing, [122] and one then actually aduits someone on standard dianetics and one receives auditing oneself on standard dyanetics.

Q. And what about method one auditing? What is that, and is it on the grade chart?

A. No, it's not on the grade chart actually. No, it's not on this grade chart. It's an actual grade or level particularly. It can be done at any point on the grade chart.

But basically what it is is you have a situation where this Thetan in his earlier studies through this lifetime and earlier lives has not exactly been totally responsible with regard to his mind and he's gone past in these studies various things which he didn't understand.

And then he just continued and didn't really say, all right. Well, wait a second. I don't understand this so I've got to clear this up. So he didn't do that. He just continued. So through this track of doing this, he has wound up at the present time with a mind that is rather muddled on the subject of study.

So what method one auditing does is it has him go back to or take a look at these earlier areas in his study in this lifetime and earlier ones where he has gone past these things he didn't understand and to actually take responsibility as a Thetan for these things by clearing them up.

* * * *

[129] A. Okay. Remember I described the four that one of the basic tenets of our religion is that understanding consists of affinity, reality and communication. Now, one [130] of the purposes of auditing is to restore to the person a higher level of affinity, reality and communication in present time so that his understanding is much greater and thus he can pursue his own goals and help others and expand out along the dynamics.

Now, straight wire is somewhat technical term which means that it's just basically—all it means is recalling things. It means—straight wire comes from stringing a wire—it's an anology basically of stringing a wire from present time into the past, to an incident in the past.

Now, what ARC straight wire deals with is it has the person recall past moments of high affinity, high reality and high communication. And what this does is one of the—another additional doctrine of the church is prior to any upsettign or spiritually disturbing experience, there is a time when basically things were good when there was high affinity, reality and communication.

So you actually sort of bypass this upsetting or emotionally upsetting experience by having the person recall the prior point where it was actually truth, where there was high affinity, reality and communication, and this creates—it lessens greatly the effect of these later spiritually upsetting experiences.

And what the person achieves in the end of these auditing procedures, of the ARC straight wire is he knows he [131] won't get worse. In other words, he'll know as a spiritual being that there has been affinity, reality and communication in the past, and there will continue to be, and he actually is the source of these things. He actually can create affinity. He actually can create reality. He actually can create communication, and therefore, he will not deteriorate, and that's what ARC straight wire is about.

It's an auditing procedure.

* * * *

[133] Q. And in terms of the benefits that the Church expects a parishioner to receive who either takes the training or the auditing, what is that?

A. Well, that's basically an increased spiritual awareness and ability and increased affinity, reality, and communications with himself and life along all the dynamics.

Q. And how does this, if at all, serve the purposes of the Church?

A. Well, again, to go over to—to try not to be repetitious but our purpose being to clear the planet and help create a new civilization without war, insanity and those sorts of things, this contributes to that goal because that's one more person that is that much more aware and, [134] that, you know, that much more his own basic nature.

Q. In respect to your position as a course supervisor or auditor, what does the parishioner expect to receive? In other words, is he in the same position as the church?

A. Not necessarily, no.

Q. It depends on the person?

A. It depends totally on the person. There is many reasons why people start courses in auditing and Scientology as there are people who start courses in auditing and Scientology.

Q. Okay. Now, are there any services which a member of the Church can receive without making payments or fixed donations, as it were?

A. Yes.

Q. What would they be offhand quickly?

A. Okay. Well, he could correct ethical counseling. He could receive counseling from what is called the chaplain which is a part of every organization, church organization of Scientology, and this woud basically be if a person was upset or something happened or he was just all and just needed to talk to somebody, he could go and see the chaplain, and the chaplain would help him out and counsel more in the sense that you referred to before in terms of giving advice.

But he would also listen and understand—try to [135] understand what the difficulty the person was going through. Also, if the person was in the situation where the person became ill or injured or something like that and he's in the hospital or something like that or he was home laid up, the Church would send a minister out to give him assist, as I described before, where to help him out with his recovery.

Weddings, funerals, baptisims are not—there is no fixed donation for.

THE COURT: Is donation encouraged?

THE WITNESS: For those things?

THE COURT: Yes.

THE WITNESS: Not so far as I know. It's not been my experience. If a person is upset with some part of the organization, something happens in his auditing or something happens in his training that he got quite upset and, you know, it's really—I mean basically he's upset. He would get a free auditing session to help straighten that out and handle his upset with the Church.

Also, on the training courses one of the things that one does is one goes out and finds somebody in the street or a friend and brings him into the Church and does some auditing on him, and that's at no charge to the person receiving the auditing.

That's pretty much it.

MR. HARRIS: All right.

[136] BY MR. HARRIS:

Q. What, if you know, are the reasons that the Church charges fixed donations for particular actions on the grade chart?

A. My understanding of that is—

THE COURT: What is your understanding based on?

THE WITNESS: On my training in Scientology.

THE COURT: Go ahead.

THE WITNESS: Yeah. It's based upon the doctrine or the idea of exchange, and the way this comes is I

talked about a good—man is basically good. Now, one of the things discovered about this is that due to his nature as being basically good, if you continue to contribute to him, you continue to help him without him helping you in some way or contributing something, or exchanging something, he actually goes downhill.

He will actually decrease his power and awareness. The reason for this is you start to feel that he won't deserve it, and this doctrine of exchange is based on some of the earlier writings called the factors where he describes the—

BY MR. HARRIS:

Q. He?

A. L. Ron Hubbard. Sorry. Describes how the earliest points of a Thetan's entrance into the physical universe and how such things as energy, life and further creation is [137] accomplished, and it's basically in terms of the interchange of particles, the interchange of things within the physical universe.

And we view money basically as a form of energy. On our organization board, there's a department of income which is concerned with the income of the organization and its awareness level is that of energy.

And basic—that's the basic—my basic understanding of the fixed donations.

THE COURT: Why give away anything then?

THE WITNESS: Well, because if you look at things that we do give away like there are times when a person is not able to donate. You know, it's not really—I mean if a person is lying in the stret and he's just been hit by a car, you can't really say well, can you get to your wallet first.

You have to assist him, and, you know, when you assist him he actually becomes more able himself and then he can contribute.

THE COURT: Then you ask to contribute energy or whatever you call it?

THE WITNESS: Well, not for the assist particularly.

THE COURT: What about the chaplain? Somebody comes to see him—would the chaplain urge the person saying to contribute energy?

THE WITNESS: Not for that service, no.

[138] THE COURT: Not for—

THE WITNESS: No, this is just—

THE COURT: Or to take courses that would permit him, put him in a position where he could contribute?

THE WITNESS: He might. Might.

THE COURT: I think it would be logical.

BY MR. HARRIS:

Q. From the standpoint—well, strike that. How many Scientology corporations have you worked for during the course of your period of time in Scientology?

A. Five.

Q. Any differences in the way that they operate?

A. No fundamental differences, no.

Q. Essentially one is the same as the other?

A. Right. Except they are in different locations.

Q. Okay. During your tenure on staff have you been involved in financial matters?

A. Yes.

Q. In what connection?

A. When I was LRH communicator from '74 to '75, I was involved in what is called financial planning committee, and what this is a committee of staff members that meets at the end of each week and decides how the income of the Church is to be appropriated in terms of the rent, the electricity and another other bills, paper, promotion, [139] salaries.

Q. The budget of the church?

A. Right.

Q. As it were. All right. And what is the source of the income that that committee has to work with?

A. The donations that have come into the church that week by parishioners.

Q. Would that include advance payments as well as somebody who comes down and plunks down the energy, as it were, and begins something immediately?

A. Sure.

Q. Okay.

A. They're not treated any differently.

Q. All right. And are the funds that somebody pays whether it be advanced payments or a fixed donation where they start the service right away, are these segregated in any way?

A. No.

* * * *

TESTIMONY OF KATHERINE JEAN GRAHAM

[163] DIRECT EXAMINATION

BY MR. HARRIS:

Q. Are you one of the Petitioners in these cases that are here before the Court?

A. Yes, I am.

Q. Do you know generally what the case is about?

A. Yes, I do.

Q. What is it about?

THE COURT: Well, i assume this is Katherine Graham?

MR. HARRIS: Yes.

THE COURT: Formerly Katherine Graham.

MR. HARRIS: Formerly, yes. At the time Graham, now Elliott.

THE WITNESS: The case is generally about the fact that in 1972 I made contributions to the Church of Scientology and on my '72 income tax return I listed those contributions as a taxable deduction. And later I was told by the IRS that they weren't allowable as deductions and deciding which way that is to go is why we are here.

BY MR. HARRIS:

Q. Okay. You are a scientologist?

A. Yes, I am.

Q. When did you become a scientologist?

A. In 1971.

[164] Q. Where was that?

A. That was in Hawaii.

Q. Would you give us just a brief summary—

MR. HARRIS: I know at least for general background, Your Honor, I am just going to ask her general education, occupational experience.

BY MR. HARRIS:

Q. Would you just give us a brief summary of your educationa and occupational experience?

A. Yeah. I went to high school and I attended college for six months.

Q. What college?

A. St. John's College in Annapolis, Maryland.

Q. Go on—

A. Okay. And job-wise I have been an assistant in the biology lab. I worked as a job employment counselor. I have been a computer operator and programmer and systems analyst. I have also worked as a telephone operator, and right now I am working for a company that sells wholesale and retail art pictures, prints and laser pictures.

Q. A what kind of picture?

A. Laser, the laser photographs.

Q. Oh. Okay. Before being in scientology, had you been in another religion?

A. Yes, I had.

[165] Q. What was that?

A. Well, when I was a little girl I was a member of the Episcopalian Church, and later when I was teenager, I joined the Presbyterian Church.

Q. All right. Would you describe your understanding of Scientology beliefs?

A. Well, basically, what we believe in Scientology and why my understanding of it is is that each of us is a spiritual being. We are not a body; we are not a mind; we are not the pictures that we look at in our head, but a spiritual being separate from the body. And basically what has hapepned is that at one time, collectively, as spiritual beings we were very good and very able, with a high moral code, a high ethic level. And what has happened is that the spirit created a game to play with bodies and assumed over a long period of time, different bodies and has lived many, many lives. And what happens is that the spirit has degraded himself by doing this and has done bad things and then restrained himself and lost his abilities and become unethical and immoral. And it just gets worse, and worse and worse, which you can just see if you look out in the street today.

And in Scientology, we have the path out of this dwindling spiral, so to speak, and you can in Scientology get back up to the once high level as a spiritual being and [166] become free of the degradation of your past sins or overt acts. And you can become again very, very able, moral, ethical and tremendously responsible, not just for yourself, but for your family and any group that you belong to. And as you go up the levels in Scientology and become more able, you also become more responsible for everybody on the planet. You want to make it a nice place for everybody. One of the reasons being because, being an immortal being, you know you are going to be continually living here and you want to make it a nice place for yourself to come back to.

Q. All right.

THE COURT: Sort of a sins of the fathers in reverse, is that right?

THE WITNESS: Yes.

BY MR. HARRIS:

Q. Did you pay some money to a Scientology church in 1972?

A. Yes, I did.

Q. Do you recall approximately how much?

A. It was about $1,600.

Q. Why did you pay money to a Scientology church in 1972?

A. Well, because it was—I considered it a religious donation and it was I wanted to do. There were certain religious services that were available and, for me, it was [167] also the fact that it was my church. And I learned in the Presbyterian church that you are supposed to tithe 10 percent, and I was willing to contribute to the Church of Scientology. I felt they were doing something that was worthwhile for mankind and I wanted to help.

Q. Did you expect to get particular religious services in exchange?

A. Yes, I did.

Q. Did you?

A. Yes, I did.

THE COURT: Like what?

THE WITNESS: Well, there was the basic courses that I went to which trained me in the basics of Scientology, which was like similar to the confirmation class that I went to in the Presbyterian church. And I also learned the basics of auditing which made me able to help others with auditing. And then I also received some auditing that year, too.

BY MR. HARRIS:

Q. Were there services in which you participated for which you did not make a donation or payment in 1972?

A. Yes, there were. There was things like Sunday service and weddings, and naming ceremonies, which is like a christening, you know, in a Christian church, and

also there were Friday night meetings where we met and the people [168] who had completed different levels in Scientology would tell about the wins they had had.

And also there was a group called the Auditors Association where different people trained as auditors got together on Sunday night and had—listened to lectures and tapes.

Q. All right. Did you participate in any other activities of the church having to do with people outside the church? That's probably a poor question. I'll withdraw it.

By the way, the $1,600 or so that you paid in 1972, was any of that amount for books, E-Meters or anything tangible?

A. No, it wasn't.

Q. Had you, in earlier years, bought such items?

A. From the church?

Q. From '72. In other words, in 1971 or—

A. Yeah, I had bought books in 1971 from the church.

Q. In 1970, on your 1971 tax return, did you deduct those as charitable contributions?

A. No.

Q. In 1972 did you buy any books or tangible items from the church?

A. Yes, I did.

Q. And did you deduct those?

A. No, I didn't?

[169] Q. All right. Now, what were the, going back to the time that you first got into Scientology, did you have an idea that you were in a religion?

A. Not at first. No, not at first.

Q. Why not?

A. Because when I belonged to the Episcopalian church and the Presbyterian church, first of all, there was the physical layout of the building. You know, the Episcopalian church back in Pennsylvania was this stone building with a steeple and the stained glass windows, and the Presbyterian church was similar to that, but not

as imposing. And the church in Hawaii didn't have the same physical arrangement, it was some rooms on the second floor of a two-story office building. So it was kind of like I just had a pre-conceived idea of what a church should look like physically.

And when the other thing that made me not certain whether it was a religion was because in the Episcopalian church and the Presbyterian church, the service has got a definite format. Yon know, the minister delivers the sermon, the choir sings, the people sing, the people pray, and like that. And in Scientology we didn't have that kind of a format to it. So it was—it didn't fit in with my idea of what a religion should be like visibly, if you know what I mean.

Q. Okay. Did there come a time when you believed that [170] what you were in was a religion?

A. Yes, there did.

Q. When was that?

A. That was in 1972.

Q. What happened that made—

THE COURT: Caused that.

MR. HARRIS: Right.

THE WITNESS: Well, there were two things. One of them was when I was learning how to be an auditor. And I was auditing my friend Pualani, and all of a sudden, in the middle of the auditing session, she just stopped and she got this wonderful, just a fantastically happy look on her face, and she just seemed to open up, and say, oh, this is fantastic, this is wonderful. And basically what had happened was that she had gone, what we call in Scientology "exterior", which means that as a spiritual being, she had actually left her body and and was aware of being a spiritual being and not just a meat body.

And she was so excited about and so happy. And the thing that I really liked was that I knew that I had helped her to become aware of herself as a spiritual being. And I had read about it in the Scientology books, that this was possible, but it wasn't really real to me that

it could happen to somebody. And it was something I had been, you know, looking for, that, yes, this could really happen.

[171] And then the other time was later when I was receiving some auditing, and in the auditing session I was able to recall a time in my past when I had been a very, very old lady in another body, and I had been very old and very tired and my friends, my two old friends, were sitting by the bed. And I was just tired, I was worn out. I didn't want to go on anymore. And it wasn't like pain or anything like that. And I recalled that I just, as a Thetan, a spiritual being, I said, okay, that's it, I am not going to do this anymore.

And I slid out of the body and out of the room and out into the sky, and this was what I remembered in the auditing session. And I went up into the air and it was a sunny day and there was a green hill and a blue sky and there were little children playing. And being free of the old body was such an incredible feeling. I looked at the little children and I thought, oh, I want to go and do that again. And it was like I was able to remember then as a spiritual being, yeah, we can, you know, we can go and do this again.

And as soon as I decided that that's what I wanted to do, there was just a new—a body in the womb and that was the one I took, changing from one to another.

And what happened was that in the auditing session, while I was remembering this experience, I myself left this [172] body and could feel the freedom of being just a spirit. And it was—there is no way to describe that feeling of freedom and that total certainty that you really are a spiritual being and not this stuff here.

And to me, that was what I had been looking for in a religion all my life. So that was when when I knew this was a religion.

MR. HARRIS: All right. Were you given Exhibits C through Q of the stipulation in her case?

MR. KAMMAN: Your Honor, I have an extra set.

MR. HARRIS: I do, too.

MR. KAMMAN: For the witness.

MR. HARRIS: Just so we are—Maybe the Court could have the—

THE COURT: That would be good.

MR. HARRIS: Okay. May I approach the witness, Your Honor?

THE COURT: Yes, indeed.

BY MR. HARRIS:

Q. I am going to show you Exhibit C and ask you if you recognize that?

A. Yes, I do.

Q. And the service that is indicated there is HQS.

A. Yes.

Q. All right. What was that?

[173] A. Well, the HQS stands for the Hubbard Qualified Scientologist course, and it is a beginning course in the fundamentals of Scientology, the basics of Scientology, things like the ARC Triangle and communications skills. And then the other things that you learn on this course are how to be an auditor, the basic auditing things that you do.

Q. Did you actually participate in that course?

A. Oh, yes.

Q. Was it your intention at the time that you paid the money to use the fruits of that course to make a living?

A. No.

Q. Why would you take such a course, to teach you to be an auditor, if you weren't going to make some money in it?

A. Because I had already had some auditing in 1971 and I wanted to be able to help other people the way that the auditor had helped me, and I wanted to know more about Scientology.

* * * *

[178] Q. All right. Now, what benefits did you receive, other than the ones that you have indicated so far, this experiencing rebirth of whatever and seeing your friend with a glow, what benefits did you receive from the courses and [179] the auditing that you received?

A. Well, one of the things that I received as a benefit is that I knew I wasn't going to get any worse as as Thetan, a spiritual being. Before I got into Scientology I had a lower moral and ethical level than I have got now, and I had been on drugs. I had been smoking pot; I had been drinking; I was an absolute mess. And after the things that I did in Scientology in '72, I didn't have those problems anymore. I didn't need those problems anymore. I started to be able to take care of my kids better. I did that because I was able to really talk to them and handle them and confront them. And my love for them increased.

I had been kind of a victimy person before Scientology. It was like, oh, poor me, look at all this terrible stuff that is happening to me. And because of the auditing and the training part of the Scientology and learning more about who I really was, a spiritual being, and what my responsibilities were, my responsibility level came up, not just for myself, you know, not drinking anymore and taking drugs. But I became more responsible about my children and also about other people, because now I know I can really help other people, I can really help this whole planet to be a better place for all of us to be.

In other words, I don't feel just responsible for myself anymore. I feel responsible for every person on this [180] planet, because I am part of it and I know that. And I think that is—that and the certainty that I am not going to just end when I die. When this body dies, it's not over. I am going to go on and I am going to continue to exist and be able to do something about life and—well, that's pretty much it.

Q. Were you taught anything in the auditing sessions?

A. No.

Q. Having experienced Episcopalianism and Presbyterianism, do you find parallels with the Scientology to those, insofar as the nature of the services are concerned?

A. Yeah, I do. All three of those have a Sunday service with a minister delivering a lecture or a sermon. The classes, or courses, or whatever you want to call them, that I took to get prepared to be a Presbyterian, my confirmation classes, that would they would be, are like the courses I took to learn about being a Scientologist.

THE COURT: How long was your confirmation course?

THE WITNESS: Maybe six or eight weeks.

BY MR. HARRIS:

Q. As a Presbyterian or as an Episcopalian?

A. As a Presbyterian.

* * * *

[199] Q. When you wrote your checks or paid your money, did you understand that the church was going to use it?

A. Yeah, they were going to use it to run the church with, to keep it there, to keep it helping people.

Q. Did you have in mind that you could--

THE COURT: We are leading the witness, aren't we?

MR. HARRIS: Well, I am trying to clear up an understanding of what an account is, Your Honor, because, you know, we tend to use accounting terms in front of people who haven't the foggiest idea what the accounting terms are, and that's what I am trying to clear up. But I may have to lead a little bit, but I will clear it up.

BY MR. HARRIS:

Q. Did you believe at the time that you made the payment that you were going to get it back?

A. No, I—It was a donation to my church. I didn't want it back.

Q. All right. Was there a physical transfer of money, to your knowledge, when you would change your mind about what religious service you wished to take?

A. No. My understanding of the whole thing is that once I had given the money to the church, that was their money, they spent it to run the church, to, you know, keep it going, and that it was merely a—The paperwork type of stuff was merely to keep track of the services; it had [200] nothing to do with money, you know. This dollar bills.

Q. The auditing to clear, that you mentioned, in 1978, what is the relationship with that and all the previous auditing that you had taken? Poor question. I will withdraw it.

If you had no auditing whatsoever, could you simply go in and get some auditing to clear?

A. No. You—It's like—In Scientology, there is different states or levels of awareness up to the total spiritual freedom. And you have got to start at the bottom because that is all that people starting in Scientology can confront, because they have got this great, huge, gigantic mess. And you have got to do it on a gradient; you can't just go bong, you are clear.

Q. All right. Now, did you purchase materials used in the HQS course?

A. Yes, I did. I bought books.

Q. Did you deduct those from your income tax?

A. No, they were books.

Q. How about course materials? Did you buy course materials for any of your courses in '72?

A. I don't remember. There were times when—On the some of the courses I have taken in Scientology, I bought a book put together with the writings of Ron

that pertained to that particular course. I don't remember if, [201] for the HQS course, there was one available there, or whether I bought one.

Q. In the cases where you have bought such materials, have you deducted those?

A. No.

Q. Are there ways other than payments that people can receive auditing?

A. Well, my only personal experience was that when I first started Scientology, I was given auditing and I didn't pay for it.

Q. How about Sunday services, did you pay for those?

A. No. And that's right, because in Sunday service sometimes they will have what is called group auditing where it is done with a group of people. You don't pay for that. And I think at our Auditors Association we did the same things. And, oh, and another way is like there is actually some auditing that I gave my children, simple auditing is geared for children, and there was, you know, it was something you can use to help people.

(Pause.)

Q. Though you, yourself, have not done it, have you heard that there are areas in Scientology auditing where one can audit one's self?

A. Yeah, there is—On the upper levels there is solo auditing.

[202] (Pause.)

Q. Did you make contributions to the Presbyterian church?

A. Yes, I did.

Q. For what purpose?

A. Well, for two reasons. One was that it was—I had learned from reading the data about the church, is that you are supposed to tithe 10 percent of your income to church, and I tried to do that within my means as a teenager. But the other thing was that it was just that's

what everybody did, was to contribute to the church to keep it, help it, run it, you know.

Q. Did you feel compelled in any way to make such a contribution?

A. No, I really wanted to do it because at the time the church was a very important part of my life, and I wanted to give it something to keep it there.

Q. All right. Are you familiar with a doctrine in Scientology called "ex[illegible]nge"?

A. Yes.

Q. What is that?

A. Well, basically, what it is is that there is flows, there is an inflow and an outflow. And if you just inflow everything and don't outflow anything, it just, it doesn't work, because eventually you will stop inflowing. [203] In order to feel good about things, the things that you inflow, you have got to flow things out, and it doesn't have to be money for something else, it can be anything, you know. And it's basically that is what is called exchange.

And what happens is that you have got to keep this pretty much balanced in order to be ethical as a being, because if you just take something without giving anything for it, that's what we call in Scientology "criminal exchange". In fact, parents teach their children to be criminals by giving, giving, giving, and the kids expect to get everything and give nothing in return, and to take and take and take without giving is, in my eyes, criminal.

Q. Does exchange go on on more than one dynamic?

A. Yes, it does.

Q. How about the result of Scientology services in your view, your opinion, what you got out of it, did these help other dynamics?

A. Oh, yes, because I got Scientology auditing and I got the training. I then turned around and became more responsible and became a Girl Scout leader and flowed into the community, my help. It just—the better you

become, the more able you become, the more responsible you become, the more you flow out again to things like your job, your whatever.

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TESTIMONY OF RICHARD HERMANN

[207]

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Q. All right. Are you a Scientologist?

A. Yes.

Q. And for how long have you been a Scientologist?

A. About eight years.

Q. In your own words, what is Scientology?

A. It is a religion that believes that there is an immortal spirit that is basically good, and through various lives and bodies that it has occupied, has unfortunately encountered certain situations which caused it to come up with destructive solutions to the problems that it was faced with, and which caused it to be occluded and caused it to restrain itself and do various unwanted acts. And the Church of Scientology believes that there are certain processes that can assist the spirit in unburdening itself and becoming a healthy, integrated, happy and more productive entity.

Q. Did you make payments to any Scientology organization in 1975?

A. Yes.

Q. Do you recall how much?

A. $4,785.

Q. Did you deduct that amount on your 1975 income tax return?

A. No, I did not.

[208] Q. Did you deduct some portion of that on your 1975 income tax return?

A. Yes.

Q. Was any of the payments that you made for books, E-meters or other tangible items?

A. No.

Q. Had you in years previous to 1975 purchased books, E-meters or other tangible items from the church?

A. Yes.

Q. Did you deduct those on your earlier returns?

A. No.

Q. Why not?

A. Well, I didn't feel that anything that I could resell or possess would legitimately be deductible.

Q. Why did you make your payments to a Scientology church in 1975?

A. Because I wished to support the aims and goals of my church. I felt that they were very constructive to the society.

Q. What were the aims and goals of the church, as you understood it at the time that you made these payments?

A. To help create a world at peace, and assist in eradicating crime and insanity.

Q. Now, at the time that you made these particular payments, did you expect to participate in specific religious [209] services?

A. Yes, I did.

Q. I am going to show the witness Exhibit S, as in Sam. My apologies. In his stipulated facts, it is Exhibit I. There is an equally bad left side.

I am going to show you an exhibit that has been marked Exhibit I and ask you if you are familiar with that?

A. Yes, I am.

Q. What is it?

A. This is the bridge.

Q. Can you point out on the bridge, that is Exhibit I, what specific services you expected to receive?

A. Class 0 through 9.

Q. That would all be on the left hand side of this exhibit?

A. Yes.

Q. The right hand side is auditing, the left hand side is training.

A. Yes.

Q. Were you intending to become a professional auditor, make money at that?

A. No, I didn't have any intention of doing so.

Q. Why would you be expecting to take training which would make you an auditor if you didn't expect to make money from it?

[210] A. My prior religious tradition is Jewish and I had always been trained, and believed that one received enlightenment from, directly from the scriptures and the word of God. And so that prompted me to, you know, want to know about it for myself. Plus, on these courses, I would co-audit anyway and receive the, what is on the right, also.

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TESTIMONY OF DAVID FORBES MAYNARD

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[255] Q. All right. Were any of the amounts that you deducted in 1977 for books, E-meters or other tangible items?

A. No.

A. No, they weren't.

Q. Had you previously purchased books or E-meters or any tangible items from the church?

A. Yes, I had.

Q. And did you deduct those in any year?

A. No.

Q. Are you a Scientologist?

[256] A. Yes, I am.

Q. And for how long have you been one?

A. Since 1976.

Q. Had you previously been in another religion?

A. Yes, I had.

Q. And what was that?

A. The Episcopal.

Q. What, in you own words, is Scientology?

A. Scientology is a realigion that concerns itself with the rehabilitation of a Thetan. The Thetan is basically good but through overts of its past, it—

Q. Overts. You just used a word I didn't understand. Would you please—

A. Okay. An overt would be an act, whether it is committed by the individual to another person, or from another person to that Thetan, or an act from other Thetans to other Thetans, or even an act to yourself, which hurts the Thetan or causes his awareness to be dimished.

Q. Okay. You were saying through overts—and please go on.

A. So the Thetan has had overts against him which has caused him not to be fully aware of his own Theta abilities. Kind of, in the point where we are today where we actually think we are our bodies and that life starts at conception, and when one dies, maybe that's it. But there [257] is no real thinking of what happens before birth and what happens after death.

So we are at the point today where we simply think we are in this time. Now, Scientology, at least for me, has increased that awareness and takes you to a point, you look at the overts, or these things that have happened and that are hurting or reducing your abilities, and one goes back and looks at these things that have happened, and many of the things have happened before this lifetime.

And by going and actually through the counselings of the church, one becomes more aware of the Thetan you are.

Q. All right. Could you describe generally the nature of the Scientology services in which you have participated?

A. Yes. The Comm Course, Life Repair, HQS, Hubbard Qualified Scientologist, the HSDC, ARC Straightwire Auditing, the Co-Audit for the Drug Rundown.

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[259] Q. And the HSDC?

A. The Hubbard Standard Dianetics Course is where you will learn how to operate the E-meter; you learn the basic terminology of Scientology; why auditing works; what you are actually doing in auditing. You take another person in and start counseling him; he will start counselling you, kind of as a group effort. That's about —

Q. Okay. Now, you used the word counseling. Is what you are learning auditing in the HSDC?

A. Yes.

Q. And is there counseling in the sense of that word in auditing?

A. Not in the auditing cycle itself, no.

Q. Is anything taught in the auditing cycle itself?

A. No. That's—it's all—In the auditing cycle itself it is all self-realization.

Q. Are you given advice by the auditor?

A. No, that is forbidden.

Q. Why did you take the HSDC?

A. I wanted to help myself, I wanted to help others.

Q. Did you intend to make money off of becoming an auditor?

A. No.

Q. Now, on the auditing side of the chart, what is this Drug Rundown? What happens there?

[260] A. A Thetan has a mind and he has a body, and what has happened is that with the person feeling that he is a body, he will often take a—let's say, this concerns an illness that is brought on by the Thetan himself. When the person takes a drug or something, it causes a dependency, and there is usually a reason why he is taking that drug which won't be solved by taking the drug. Take, you know, whatever, heroin or something.

So through this auditing cycle a Thetan kinds of finds the real reason why he is taking the drug, and once he has found the reason, he is able to make the correc-

tion of this inadequacy he feels because he is taking the drug or for whatever reason the person is taking the drug.

Q. All right. Now, why did you pay money to the Church of Scientology in 1976 and 1977?

A. First, well, the church needed the money. They were expanding, they were—they had just moved into a YMCA; they were redoing it. We were going to get a new course room for we were just getting ready—They were just kind of getting—They had kind of outgrown the section they were in. So basically, to support my church.

Q. Did you know generally what the purposes and goals of the church were at the time that you made these payments?

A. Yes.

Q. What were they, or what was your understanding of it?

[261] A. Basically it's to make people aware that they are a Thetan. And with that realization, many of the evils of today like war and crime and all the other problems we are having in the world today, if people realized that they were Thetans, would end.

Q. What benefits did you receive from the auditing and this training?

A. One, I became much more aware of myself as a Thetan. I realized that the consequences of what I was today, that it did have a consequence on not only my further lifetime, because it was not only this lifetime, but it was many, many, many more lifetimes to live. That it would help mankind. That it would help just in general the—all other things and the world in general.

Q. Why did you deduct the amount that you did?

A. Because as I read the tax law of that year they were deductible.

Q. Now, when you say you read the tax law, what did you do?

A. Well, when I got my income tax form, the books that come with it, that come in the mail, that's what

I read. So when I filled out each line as it went, and it got to contributions, the book said that the contributions I made to the church were tax deductible.

Q. All right. When you first got involved in [262[Scientology, did you understand that it was a religion?

A. Yes, I did.

Q. Mr. Maynard, have you ever attended—Well, first of all, do you know what a tax protestor is?

A. Yes, I do.

Q. Give us your definition of what a tax protestor is?

THE COURT: Do you want me to give him any?

THE WITNESS: My understanding of it is one who refuses to pay any taxes. I think that is based on, whatever, that our money isn't worth anything, therefore, they can't tax us money, or that that something to do with the Magna Carta or the Constitution or something.

Q. Okay. Have you ever attended a meeting of tax protestors?

A. No.

Q. Or a lecture by a tax protestor?

A. No.

Q. Did you express to the Internal Revenue agent who audited your return that you were a protestor?

A. No.

Q. Are you a protestor?

A. No.

Q. I am going to show you Exhibit 34. Do you see down on the bottom of Exhibit 34, "potential protestor"?

A. Yes.

[263] Q. You have seen that in my office?

A. Yes, I have.

Q. Do you have any idea why that is there?

A. No, I don't.

Q. Did you discuss anything about protesting to the auditor?

A. No.

Q. And are you in fact a protestor?
A. No.
Q. Do you pay taxes every year?
A. Yes.
MR. HARRIS: No further questions.
MR. KAMMAN: Thank you, Your Honor. May I approach the witness and hand the witness Exhibits C through M?
THE COURT: Yes, indeed.

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TESTIMONY OF DR. THOMAS LOVE

[292] Q Are you able to relate auditing to any other religious traditions?
[293] A Yes, I think so. In particular it seems to me that auditing reflects the sort of practices you see in the East, I would think particularly for example of Hinduism and Buddhism. Let me explain that if I may. The language of the Church of Scientology is somewhat new to me, but the ideas that are there are somewhat familiar to me. The word Thetan, for example, is a new word to me, but the understanding that Thetan is talked about in say the Hindu tradition would be an Ataman and there you have the notion of a soul that perdures throughout all existence and is constantly taking on new forms—reincarnation, rebirth. So you have in the Eastern tradition an emphasis upon understanding of your innermost self, or the innermost soul, or the Ataman, A-T-A-M-A-N. And this is the sort of understanding of life that can never be reduced just say to the body or to the mind. It's always a reality that somehow underlies these and is behind these. The body would be a mask, a persona, some sort of a projection at most through which the soul might be in some sense either exhibited or known indirectly.

In that particular tradition one uses rather strict disciplines to attain this higher awareness of the soul

and it's existence. For example a yogi would practice very careful disciplines of breath control, body postures, asangas, and other things that would assist him such as diet to help him to attain the insight of this innermost reality [294] which I'll now simply always refer to as Ataman.

In the Upanishads, for example, the Hindu tradition, this is fundamental search that one is always undertaking. The attempt to discover one's Ataman which is finally identified with the external reality of the universe called Brahman, and those two become the understanding of all of life.

In Therevada Buddhism, for example, you have a similar kind of phenomenon. You have there a strict adherence to a set of rules, the 227 Patimokha they're called, which primarily emphasize a rigid morality, a rigid meditation schedule, with the expectation of gaining an understanding or a rapturous awareness of what would be called an enlightenment Bodhi experience in that tradition. So on the basis of morality and meditation one attains this higher wisdom which can be wisdom of other persons, wisdom of other universes, wisdom of other abodes. That's a very common way of talking in these Eastern traditions.

Quite in conflict, I might add, with Western religious thought which sometimes makes it difficult for—I think—the Western approach to recognize and understand what's going on there. We're much more dualistic in our origins and in our seeing of what might be called an Ataman or Bodhi or the rebirth process.

So there as far as I can see would be the major root [295] ideas of what's going on in the Church of Scientology today. I could extend it to Mahayana Buddhism and the various schools, but I think that's illustrative. There you find the individual, Scientology says Thetan, Hinduism says Ataman, Therevada Buddhism says configuration of the Skandas, Peryan Buddhism would say the experience of a Meda, Mahayana Buddhism tradi-

tionally would say Bodhi or Budhi or Budihod. The notion in say Zen Buddhism would be referred to as Satori, this flash or this release or this freedom or this enlightment or this beyond the senses.

So you have various ways of talking about this in Eastern traditions that are quite in conflict I think with the traditional approaches in the Western world. And I see this as quite corrolatable with Scientology's way of talking.

You also see the impact on society in a different sense. In the West there has tended to be out of the biblical heritage in a sense some sort of antinomy between the world and man, like in the traditions of the Hebrew bible, the Old Testament chapters one and two you have man being given dominion over the world, over the animals. That's not a notion in Eastern religious thought in Hinduism or in Buddhism. You don't have dominion over it, you're seeking some sort of coalescence with it or union with it. You're seeking some sort of closeness with it or joining the harmony, the notion of omn in Hinduism or the notion of dharma in [296] Hinduism is trying to understand the natural law or the universe and join with that in some sort of cooperative and synergistic way rather than seeing the antinomy that might be developed there in the West.

Q Thank you. From your examination of auditing and the Scientology religion, are you able to relate anything you find there to these concepts—these Eastern concepts you've been mentioning about harmony? I'm not sure I'm repeating this exactly right, but union or harmony with the universe. Is that the idea there in the East?

A Well, the East typically looks for some sort of union, some might say absorption, or oneness of an ultimate source or reality or power, even though Eastern religious traditions may insist upon some sort of individual ataman continuing forever there is this constant implication that somehow this is absorbed in or united with

the ultimate Godhead. Whereas here in the West, that's not the major focus. Western mysticism even doesn't emphasize that largely as for example in the writings of Eckhart or St. John of the Cross or St. Theresa. You don't have that basic notion of complete identity or union. You're always emphasizing in the West communion or worship or hearing the word, or communicating the word. Where you have a process going on with two distinct kinds of reality rather than this sort of continuing existence that's immortal that goes through [297] various kinds of phasal existence.

So as I see Scientology, there tends to be much more leaning toward the Eastern approach rather than the Western approach.

Q From your examination of auditing did you form an opinion as to whether the auditing benefits solely the individual receiving auditing?

A Whenever I first began to read carefully in the area, I was convinced that that was perhaps the only focus. That the emphasis was upon the individual, the individual attainment of enlightment or awareness or freedom, whatever word that might be used. One word that's often used is self-determinism which makes good sense, and that reflects the Buddhist's notion too as well as the Hindu notion of the self-determining its own existence and can't depend upon say external help as would typically be used in Western though. There's no notion of grace, there's no notion in one Hindu parable of the mother monkey carrying the baby monkey on its back as there would be in Western thought where God is constantly assisting persons to come through some awareness, whether through the Holy Spirit or in some other way.

So the individual clearly is in focus in terms of going through stages of development progressively through an awareness of higher and higher levels of understanding or insight, much like the gnostics might have talked about [298] in certain aspects of Western religious

though. Also beyond that and it came somewhat as a surprise to me when I talked to persons that were being audited, beyond that they believe that this was absolutely beneficial for the world. That their change, their growth, that their enlightenment, their development, created clearly to the betterment of society, of the world, and added as it were stature to the world. Brought the world to a higher awareness.

You can see the reverse of this in Biblical tradition where in a sense the notion of sin scars the whole world and then in Pauline thought the creation is groaning in travail until you have this revelation of God in Christ or Christianity. But all the world is affected either for ill or for good. And in Scientology the major emphasis is upon affecting the world for good by obtaining one's own enlightment and going out and hopefully assisting others to do the same.

Q Is there a parallel to this concept that you've just mentioned here in Eastern traditions?

A Yes, clearly.

Q Can you explain that?

A Yes, the notion of the dharma in Hinduism is precisely that. One has to do one's own sva dharma, that's his own personal acts with regard say to the caste system historically, and then one is also to perform one's own socia dharma. And both of those link together, one goes with the other. One [299] doesn't just do without say performing an act in society for the society's good, but can't do that on the same level unless one practices either devotions or various kinds of yoga. In the bhagavad gita, for example, the way of jinana yoga, the way of wisdom is an attempt constantly to bring oneself to enlightment so that enlightment will benefit the universe, benefit the society, benefit the world.

Rhadda Krisha in his book *The Hindu View of Life* developes this theme very thoroughly. The former president of India trained in England talks about how this view of life is something of benefit not only to the Indian society but the entire world simply by people practicing this sort of dharma—this sva dharma—themselves.

In Mahayana Buddishm you have a classic illustration. There you have parables that are used constantly in this tradition to try to encourage persons to perform actions that will enhance and build up as it were other persons enlightment experiences. It's obligatory I might say upon a bodasofa—not a good word to use in the East—but the bodasofa is expected to show light to all. Out of his own enlightenment he enlightens others. That's the basic theme. So he doesn't as it were, withdraw from the world. He stays in the world and attempts to assist others even though he understands himself to be part of the Buddhahood or part of Buddha nature in itself. All persons in that respect have a Buddhahood within. So to [300] contact that is critical for helping to transform the world and to help the society.

Q Okay. Dr. Love are you familiar with the ways in which churches obtain funds?

A Yes.

Q What is the basis for such familiarity?

A Well, I am a minister, so you have to have some training as a minister. But let me go back historically a little bit. I've always been actively involved in church life. My father was Episcopal, my mother was Methodist. My father didn't attend church, my mother did, so I went to the Methodist church. And through that whole experience as a boy and growing up as a youth, I became aware of the necessity for various kinds of raising of funds for projects in the church. For sending youth to various meetings, et cetera. And when I made up my mind to go into the ministry there was one course, for example, in seminary that I still remember where we were focusing on the different ways of raising funds for churches. And we talked about rural churches and small town or middle town churches and city churches where

the needs would be different and their approaches might be different.

Then whenever I became a minister of education and a pastor of different churches, it became necessary to face this question in a realistic sense. Formerly I'd only [301] sort of looked at it and that had not been my great inclination to study fund raising or anything like that. It seemed sort of beneath me at the time.

What happened in fact was we began having seminars, we'd bring in fund raisers, I remember today how awkward it was to me to even accept the notion of bringing in professional fundraisers in a church because that had not seemed the proper way to go in my own background and training.

So we'd have seminars and fund raisers and we'd have people in who had been doing this not only in other institutional groups but in various churches. The conference which is what the minister is a part of, I don't really belong to a local church, I belong to a conference —Southern California Conference, for example—has various kinds of institutes or seminars that help people to understand how to raise funds in basic churches.

So that would be one way. Other ways would just be in communication with other people. Like we'd have associations of ministers, rabbis and priests in various areas. Say when I was in Dallas or when I was in Missouri or when I was in Topeka or in various other churches that I've been in. You go to these ministerial associations and you often share ideas about how you raise funds or how you meet the needs of a particular church.

Q Please tell us some of the different ways in which [302] churches obtain funds.

A I guess traditionally we think of tithing and that still goes on in a few of the religious orders today. I guess the Mormons would be the most known in that area. Where it would be a required expected thing to do. Most churches don't have too much success with tithing

it's been my experience. The Methodists certainly don't. We recommend it, but that's about as far as it goes.

Plate offerings clearly would be a very common way of raising funds. Either passing the plate or the basket in a church service, which makes sense if you require communion worship as for example in Roman Catholicism and my particular tradition. Plates also are typically placed at the door instead of passing them along the pews. You can put your offering in as you leave or as you come in.

Churches often have pledging systems now. There you have the development of envelopes and mailings and maybe teams going out two by two as I've often done to contact persons in the congregation and to make recommendations as to what they should either give or what they might give for the regular, ongoing program of the church.

You have various special projects throughout a given year, such as building funds. That would not typically be involved in your normal giving. That would be a special event. So you'll do various things to encourage building [303] funds. One of the practices in America as I understand it from one of my professor colleagues was one of the basis uses of pew rentals was that at one time in the East. I've never gone into that in any great detail. But you'd in a sense subscribe the pews and that would give you a way to build the church.

You also would hae in this particular area of building funds, you'd have hospitals or orphanages or adopting children from disaster areas, so these are all special projects that would be over and above the normal giving.

Some religious groups, I'm thinking now in particular of the Buddhists and the Jewish, will have membership fees simply to join that particular temple, synagoge, or church. Some will have what's called a fixed fee. Some will have like a minimum fee, or some will have a fair share apportionment as for example in Judaism.

Other ways of obtaining funds would be by renting seats, like on high holidays or holy days in Judaism. Paying for the seats if one wants to take part in those holidays and is not an affiliated member, one would pay for those seats. So again, that might be done as a fixed set of seats or it might be done as an open seat arrangement, that is you don't reserve a particular seat but rather you just sit in for that particular holiday, say Yom Kippur, but you wouldn't have a fixed seat. But you also have fixed seats in some [304] congregations where the family would be expected to be seated.

In that light also you used to have, and I'm not too clear that any churches in the West have them, there may be some in the East, you would have pew rentals where a person could pay for a pew for a period of time. Historically that was kind an important development in both England and early America. One of the early churches of which I am a part, that is the United Methodist Church, the Free Methodists broke off precisely because they did not want to participate in pew rental. They thought that was beneath them and they thought that was not the proper way to gain funds.

Also you'd have plaques, donative plaques that would be given to raise funds for various things, typically you'd put the plaque either on a pew or on a table or on something. Paraphernalia of a given church, a door, or what have you.

There are many other ways of raising funds, special maybe events like memorial days like at Easter and Christmas or in Buddhism the Founder's Feast where persons would be expected to donate more than would typically just be involved in their regular pledging and tithing.

You have various kinds of social activities that would bring in funds. Bingo games, bazaars, rummage sales, car washes, almost anything that a church or religious group [305] could think of might fall into that category.

So it's a vast array of fund raising activiites that might be looked at.

Q Let me make sure I understand one thing. You mention building funds. I guess that's sort of a purpose for which funds might be raised, but how might a church go about getting funds in order for a building fund?

A Well, typically say in my tradition to start with you would just decide say by a committee in the church along with the pastor, perhaps also in conjunction with the bishop or the conference in my particular tradition, that either you're going to build a new church in a certain area or you're going to expand the church or build an educational wing, or maybe build a hospital or educational institution or what have you. Then you decide what amount of money will be needed to do that, and then you would begin soliciting through the various churches if it's a conference wide activity or locally if it's a local situation, such as an educational unit, for that particular project. Otherwise that's quite separate from the normal giving.

This would then be an extra expectation on the part of the participants.

Q Are there churches which solicit fixed contributions for religious services?

A Yes, I mentioned some in my general list before. [306] Q Yes, are there any other examples you can think of?

A Well, tithing would be one illustration. Tithing would be a percentage basis, but it's still a fixed basis, in the sense it would be an expected percentile basis of one's income. Not either gross or more typically net. The membership seats are fixed, otherwise if you're going to come into this church—I don't mean seats, membership fees. If you're going to come into this church, you're expected to pay a membership and I said, for example, in Judaic tradition fundamentally there are two approaches to that. One's a minimum fee which may be an individual pays or more typically a family would pay. The same thing is true in Pure Land, one form

of Mahayana Buddhism, say for example in Southern California. You pay a fee if you're an individual, you pay a higher fee if you're a family.

Then there are also fees for maybe what now is called education, but more traditionally would be called like the study of Torah or the preparation for reading and understanding Torah. You have fees for certain kinds of programs that would be generated by a given church. The seat fees are also fixed even though they vary from congregation to congregation. The old pew rental fees would be the same thing. They were fixed but they would vary from a given church to another given church.

[307] In terms of customs which I don't think can be completely ignored, a lot of customs are essentially the same thing as a price list as you can call a church secretary or temple secretary and ask how much it is for this particular service, and the church or temple organization can tell you even though it's not published as part of the policy or structure of the given church. It's the custom that that would be paid.

In my tradition, for example, a minister might be paid and it can either go to the church or to the minister or to the minister's wife depending upon the individual and depending upon the congregation, to be paid a fee perhaps for marriages or for funerals, or in the Episcopal church what's called the stole fees which are expected but are not demanded or not required. But it's certainly part of the custom to do so.

In the mass or the Eucharist, a better term in the Greek than in the Latin, the notion of the grace well being rather than the miss of the dismissal, you have a high mass and a low mass which would be of different costs in terms of what's expected in that particular mass. There are other aspects but you have various kinds of structures that are both clear, fixed, and you have structures that are customary that might not be published as such. But would be known by the internal body.

[308] Q Back to tithing—do you know which denominations, if any in the United States, practice tithing?

A I suppose the clearest illustration today would be the Mormons. The Mormons see this as a clear expectation and, for example, if a person does not tithe a person will not be given what's called a temple admit.

Q What is that?

A It's a direct relationship. If you don't tithe you're not a Mormon in good standing, and you may not be admitted to the temple services which is critical in that tradition because that's what's required for one to take part in that tradition as a full communicant or participant. So if you're not given a temple admit that means you can't go to the temple and take advantages of the services. It's a direct corrolation to whether or not one is in proper standing as to the tithe.

The Free Methodists also tithe, but I haven't kept upon them for a number of years.

Q Do members of churches, parishoners of churches who contribute monies to their churches, receive or expect to receive something in return?

MR. KAMMAN: Objection, Your Honor. That's calls for speculation on the part of the witness. Calls for the witness to take a look into other people's minds, people he does not know. Calls for an opinion of the witness to form an [309] opinion as to what other people think.

THE COURT: Yes, Mr. Taussig?

MR. TAUSSIG: Your Honor, as I understand the federal rule, expert witnesses are entitled to testify in terms of opinion. I can rephrase the question.

THE COURT: You can get what you want by a little rephrasing.

MR. TAUSSIG: Surely.

BY MR. TAUSSIG:

Q Dr. Love, based upon your background and your training and your experience, do you have an opinion as to whether parishoners of churches who contribute to

their churches receive or expect to receive something in return for their contributions?

A Yes.

Q Okay, can you explain that?

A Well, I just indicated one entitlement with regard to Mormonism where they expect to receive the benefit of that religious tradition and in precise terms they expect to be admitted to the temple hall so they can take part in the highest form of worship in that tradition. That's one kind of illustration.

I think also if you talk to people in these traditions, and if you happen to be a minister in one of those traditions and have lived in those traditions throughout your [310] life, then there are many kinds of expectancies that are involved. Persons will often say and often testify to the fact in public and in churches that they have received certain benefits because they have done certain things.

In the Eastern tradition, I think for example in America just to limit it to America right now, in Nichiren Soshu Buddhism, a religion which I've studied to some extent a sect form of Mahayana Buddhism on the California scene, typically you can give a donation and you can chant or repeat formula—nom myo reghi kyo—and perhaps you also repeat the name of Amidaha Butsa, Amitabna Amino Buddso Butsu. These are just formulas that are used. It's a form of chanting, a repetition of a name, that's deemed to be essentially clearly related to a benefit. For example, if you do this you're supposed to get what you desire or what you wish. Many students talk this way on campuses and I've been to a number of Nichiren Shoshu meetings and have listened to their testimonials and have observed essentially what they take to be evidence of this particular fact.

In my tradition churches will often say that if you give and if you participate, you will benefit directly. You will benefit in terms of jobs, or perhaps health, or in overcoming personal problems like drinking or alcohol, various kinds of things are said in these traditions in relation to participation in that particular religion or [311] tradition.

THE COURT: Doctor, in the Mormon religion—have you spent a great deal of time studying the Mormon religion?

THE WITNESS: Not a great deal, Your Honor.

THE COURT: Well, with respect to this temple admit, you testified that it's required that you tithe in order to get a temple admit, is that the right phrase?

THE WITNESS: Yes.

THE COURT: Do you know whether or not in making a determination about the tithing whether or not any consideration is given to ability to pay? Or is it a fixed percent or what? How is that determined?

THE WITNESS: It's intended to be a fixed percent, but there would be variations with regard to a person who had say lost a job and could no longer pay, and tends to be a person in good standing. There are bound to be some qualifications allowed for that sort of situation.

THE COURT: I mean I've heard the figure ten percent as the usual figure, but that is negotiable so to speak?

THE WITNESS: I think it might be in some instances. That's not the doctrine. That's not the basic teaching I would pick up out of the readings I've done, but again on the pragmatic level I'm sure there might be some negotiation. The temples that I'm most familiar with in Northridge and I've been to Salt Lake City a few times, and the persons that [312] that I've talked to there want to say no that's fixed, although I'm sure there are qualifications. Doctrinally it's fixed in that tradition. Pragmatically it may not be as I understand it.

THE COURT: When you say fixed, you mean fixed you must tithe with the amount left up in the air.

THE WITNESS: Originally in England there used to be the notion that you'd make an offering and it later became a tithe. And then the tithe tied to the land and

to the crops, and so basically it was tied to corn, wheat, and barley, and so since the crop wasn't produced the same every year it fluctuated quite a bit.

So then there came about in the legislation in 1918 that there'd be what's called a composition which would replace the fluctuating tithe and you'd have a set fee, which is going to be produced from that land which became similar to the endowment programs later. Then in 1925 that was done away with. And then in 1963 entirely done away with by statute.

But you do have this problem of fluctuation within a range of a percentage.

THE COURT: With the difference in the Mormons you make a distinction there that you say you can't get in the temple. I mean in most other religions if you don't live up to your pledge you may get a dirty look from the minister or [313] some of the parishoners but they won't keep you out of the building.

THE WITNESS: There is that notion in certain traditions such as Roman Catholic that if you haven't confessed at least once a year you're not supposed to be able to take part in mass. But as you know that also varies quite a bit depending on the congregation or the parish. But the doctrine was originally that you had to go to mass, or the notion in early Methodism and also in Episcopalian churches that if you were not a person in good standing that you couldn't stay past a certain stage of the services. If you had not been baptized you would not be expected to be allowed to observe the Eucharist because that was a formality that was reserved only for persons in full standing.

THE COURT: Well, you couldn't take communion.

THE WITNESS: Yes.

• • • •

[314] Q Why is it that study can be a form of religious observance?

A Well, I think because of the focus upon the sacred text originally, for example—again, let me move East

and West just to give an illustration. In the East, for example, the study of the veda was a required stage, studentship was a required stage for the leveling up of life into the next rebirth. If one did not go through studentship then one couldn't go through the other stages properly. And even if he did go through the other stages his next rebirth would not be as high as it might have been. So studentship was expected in the study of the veda is what it means to be a student. You go join a master, you go as it were and study veda. You don't do it on your own, you do it with someone that leads you into this and typically it would be one to one. A guru would teach the individual. It could be one to two or three, but it was at least one to one typically.

In Therevada Buddhism, the study of the teaching of the Buddha are absolutely crucial. You have to know the four noble truths, you'd have to know the eight-fold path, you have to understand how this applies to your own life, and [315] you'd have to act on it. So you're being in a sense trained and disciplined in accord with the sacred texts or in accord with the text that they would take to be crucial. In the west you'd find a somewhat different approach depending upon your tradition. In Roman Catholicism, for example, and certain traditions that came more directly out of that heritage, not in the Protestant Reformation, but like the Anglican and my own tradition the Methodists, the emphasis was not so much in the Roman Catholic tradition upon studying the text, in fact it was kept from the people in many instances. The emphasis was upon authority and tradition. The Protestant reformers by contrast, I'm thinking now of Luther and Calvin foremostly, the Protestant reformers by contrast would shout sola scriptura. Otherwise, a return to the scriptures. The scriptures alone are sufficient for faith and a relationship to God. So the emphasis became on studying the scriptures. Luther went so far as to say anyone can understand the scriptures all you have to do is read them, but he happened to have taught them for 20 years and maybe he had

a little bit better understanding than most of us when we try to go to those texts.

In the Calvin tradition you quickly got more of an emphasis on discipline and not just sola scriptura alone. And also you did in the Lutheran tradition because Luther became very concerned with what he called die schwermer, those buzzing [316] bees about his head which where the Anabaptists and other such groups as that at the time who also shouted sola scriptura. By that they meant you had to read and study and find in the scriptures a devotional way of understanding and knowing God. Why? Because the word of God is deemed to be somehow coming through the words of the scriptures. So without the scriptures you can't hear the word of God. The minister preaches the word of God, he gets it from the scriptures, he's inspired as it were through the scriptures. So the reading of the scriptures would be a devotional act. It would be a necessary procedure in those traditions that emphasize the word of God as found in the scriptures. In other traditions like the Yeshiva, you see the emphasis on the study of Torah. In Judaic tradition typically the rabbi is seen not as a priest or as someone who leads worship. He's seen as a teacher. What does he teach? He teaches Torah. How do you learn Torah? You learn by reading with the rabbi. You'll get pictures and art works and you'll get the notion that even after this life you're reading Torah with the rabbi or reading Torah with God forever. So the reading of Torah itself is a meritorious—I use that word loosely—act. It's an efficacious act.

The reading of scriptures is something that's required in order for one to hear the word of God. Because you don't get the word of God outside. You get it through [317] this tradition or this line or these sacred scriptures that were revealed or inspired, depending on one's tradition.

* * * *

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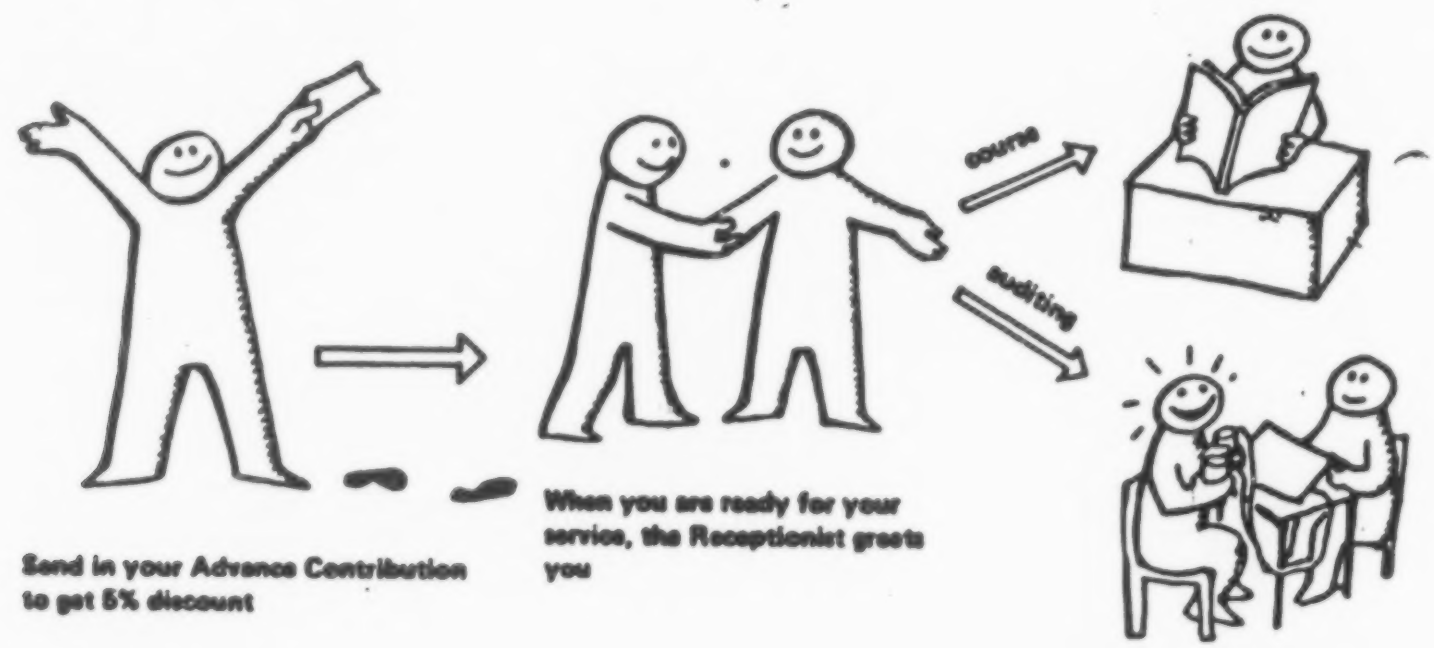
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To the degree that you progress up the road to freedom and ability to handle your own life, to that degree you affect the environment around you.

So keep moving on the road fast. Make regular payments on your account for your next service.

And soon you'll be walking into the Church for your service.

The receptionist will greet you.

You'll be started on your course or intensive.

And you'll be getting the incredible promise of Scientology—a new ability to handle your life, to be what yo want to be, to do as you want to do, to have the rewards you deserve . . . and to help others along the way.

Just clip out and send us with your next Advance Contribution the coupon on the back.

And you'll be getting your service almost before you know it—with a 5% discount too!

HUBBARD STANDARD DIANETICS COURSE



GET STANDARD RESULTS WITH STANDARD DIANETICS

The Hubbard Standard Dianetics Course is prerequisite to the Saint Hill Special Briefing Course. Any student who has taken or paid for the SHSBC is eligible to enroll on the HSDC at ASHO Foundation.

On the HSDC students learn the fundamentals of the mind. Here is the essential grounding needed by any Scientology auditor in understanding his preclear. On the Hubbard Standard Dianetics Course, the student does lots of auditing, assuring success in his later studies.

Prerequisites: NONE

MINISTER'S COURSE

INCREASE YOUR ABILITY TO HELP OTHERS

The Minister's Course gives the student a thorough grounding in the religions of the world and in the religious background of Scientology. It brings the student to a greater ability to communicate with those of other religious faiths and to a greater understanding of himself as a Scientologist.

The Graduate is a Minister of the Church of Scientology, qualified to administer the ceremonies of marriage, christenings and funerals, and to attend to the spiritual needs of Mankind with counsel.

Prerequisites: HUBBARD DIANETIC COUNSELOR or above

Organization Executive Course

The Organization Executive Course is a comprehensive study of all aspects of organization and administration. Practical application of the data is part of the course. It is the materials on this course which have made Scientology the fastest growing organization in the world. And they are completely applicable to ANY organization.

These are the materials which make an able executive. The course contains all the data you will need to put sanity and order into your organization which will make it expand.

Prerequisites: PRIMARY RUNDOWN (The Primary Rundown is given to you at no extra charge with the OEC.)

The Flag Executive Briefing Course

The Flag Executive Briefing Course is designed to give the executive the data necessary to the continued survival and expansion of his organization. Originally piloted on the Flagship under L. Ron Hubbard, it is available at ASHO Foundation.

Among the data on the course are 8 tapes on the Product Officer/Org Officer system of management available only on the FEBC.

An FEBC Graduate can act effectively and cause others to act effectively for expansion.

Prerequisites: OEC GRADUATE

INTEGRITY PROCESSING

REGAIN YOUR OWN PERSONAL INTEGRITY

If you are having any difficulty with your marriage, your job, your family, or your studies, then Integrity Processing is for you. With Integrity Processing you can get to the source of the problem and handle it. It is the answer for your search for your own basic honesty and integrity. Now at last in 1973 a way has been found by L. Ron Hubbard for you to do just that.

Each specific case is given special supervision according to his or her own needs. This is very powerful auditing and it produces tremendous case gain for the individual. You can get these gains with Integrity Processing. It is specifically done to meet your needs.

If you have had no prior auditing, you will need at least one regular Intensive to set you up for actual Integrity Processing. The actual Integrity Processing is delivered by a Hubbard Integrity Processing Specialist who is specifically trained to run them.

Prerequisites: NONE but all current auditing must be completed before Integrity may be delivered, with final decision up to the C/S.



EXPANDED DIANETIC PROCESSING

THE NEW MIRACLE TECH



Now you have available to you the tremendous gains of Expanded Dianetic auditing. It is done to fit the particular needs of each preclear or pre-OT. Through Expanded Dianetic Processing you can break free from your barriers and really get your case handled and moving freely. It was recently developed by L. Ron Hubbard and is here NOW for you to experience. The results of Expanded Dianetics are superb and miraculous.

Expanded Dianetics is delivered by specially trained Expanded Dianetic Auditors. The quality of the auditing is flawless and the service at ASHO Foundation is fast.

Expanded Dianetics is delivered in 12½ hour intensives. Time for delivery of an intensive is 1 week.

Prerequisites: EXPANDED DIANETICS MAY BE DELIVERED AFTER GRADE IV or AFTER POWER PROCESSING or AFTER OT III EXPANDED or BEFORE GRADE O at the discretion of the C/S

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to HAPPINESS

A Scientologist is defined as "one who knows he has found a better way of life through Scientology and who through Scientology books, tapes, training, and processing (spiritual counselling) is actively attaining it." The Hubbard Qualified Scientologist Course has the following objectives:

1. It teaches one how to correctly study and what are the mechanics of learning any subject.
2. It tells you what Scientology is and its general background.
3. It makes a person able to confront, intend, and control anything in life.
4. It tells you how to become more efficient, how to handle confusions in life, how to handle exhaustion.
5. You will learn how to handle people and increase your understanding.
6. It gives you basic data on what man and his universe consist of and what exactly is a person's mind.
7. It enables a person to gain better control of his body, better comunication with his environment, an improved memory, and teaches one to know how to do this so that he can help others achieve it.
8. It assists in relieving a person of the need for drugs or alcohol.

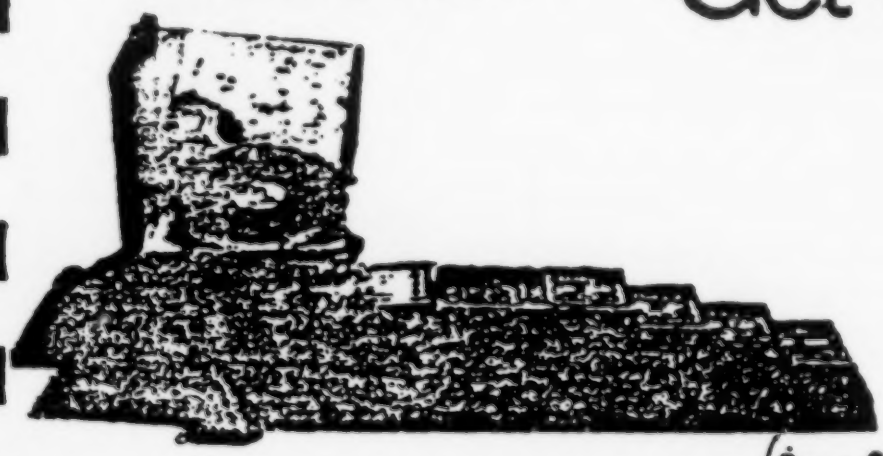
The Hubbard Qualified Scientologist Course is taught by a fully trained Hubbard Professional Course Supervisor. DONATION: $100.00

The Hubbard Qualified Scientologist Course

TO FIND OUT MORE ABOUT YOUR NEXT STEP, WRITE TO THE LETTER REGISTRAR!

The Church of Scientology of California
414 Mason Street, Room 400
San Francisco, California 94102

LEARN HOW TO LEARN



(Page 8.)

If anyone is having any trouble with the Dianetics or Scientology material, it is simply that they have not studied it for application but for examination. If you were to go back brand new as though you had never heard it before and study it for application, you would gain a complete grasp of the subject.

L. Ron Hubbard

Get the Study Tapes

by L.Ron Hubbard

You can master any subject through use of the easy-to-learn data on these eight taped lectures. With his usual humor, Ron tells about: STUDY-INTRODUCTION; STUDYING DATA ASSIMILATION; A SUMMARY OF STUDY; STUDY-GRADIENTS AND NOMENCLATURE; STUDY, EVALUATION OF INFORMATION; STUDY AND EDUCATION; A REVIEW OF STUDY; STUDY AND INTENTION.

Hear the data on study and gradients directly from Ron on these high quality tape recordings. Play them for yourself and for your friends.

The set is sold for $120. Only $96 with membership discount.

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Get lots of auditing and achieve more gains than you dreamed possible

Move up to CLEAR

Millions of success stories the world over attest to this fact: the *more* auditing (spiritual counseling) you receive the *more* gains you will make. There are several reasons for this.

By having a *lot* of continuous auditing life doesn't have time to interrupt or give you any setbacks. Soon, auditing makes you stronger than any upsets or distractions your environment can offer.

Thus, through a lot of auditing you are put in control of your environment, able and free to handle the present and create a happy future. The key to total freedom and happiness is a *lot* of auditing.

Make certain you get a lot *for yourself.*

Gains Beyond Measure

The gains obtainable from auditing are the culmination of 10,000 years of Man's search for self-realization and spiritual improvement. Here are but a few of the countless gains described by people as a result of auditing:

1. Greater personal happiness and well-being.
2. Enjoyable family life and marriage.
3. Ability to handle other people and groups and be successful with them.
4. Greater ability to contribute to Man's future on this planet.
5. A heightened appreciation of life.
6. Ability to handle and improve the environment and things in it.
7. Enormously increased spiritual awareness and freedom.
8. A deeply satisfying clarification of the ultimate good and truth.

Fast, Easy-To-Get Service

All you need to do to receive auditing is to write the Letter Reg and let her know when you would like to come in. There is no waiting for spiritual counseling. You can start any day of the week. We specialize in friendly, personal service.

Your Next Step

Now is the time to take your next step in auditing. Gains beyond measure await you in our Hubbard Guidance Centre.

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Contributions

To make it easier for you to have lots of hours of uninterrupted auditing, donations are arranged in a sliding scale. By buying lots of auditing you get the benefit of rapid uninterrupted progress towards greater ability and awareness – and you get the most experienced and highly qualified auditor available right away.

	Regular Donation	For the same number of hours bought your savings with discounts are: HASI	LIFETIME
25 hours	$1250.00	125.00	250.00
50 hours	$2350.00	235.00	470.00
75 hours	$3350.00	335.00	670.00
100 hours	$4250.00	425.00	850.00
125 hours	$5050.00	505.00	1,010.00
150 hours	$5750.00	575.00	1,150.00

The HASI Discount is 10% —Annual renewal: $15.00
LIFETIME Membership Discount is 20% (Initial membership:$75.00)
The annual rewewal: $15.00

For Professional Students (paid in full and enrolled in Academy), old HPAs and HCAs and Class IV Graduates 50%

Complete your Grade Chart Auditing to Expanded Grade IV

Write the Letter Registrar today

The Church of Scientology of California
414 Mason Street, Room 400
San Francisco, California 94102

Is there a barrier between you and the enormous gains of Scientology auditing (spiritual counseling)?

If so, come into the Church for a

Free Auditing Check

- If you feel there is something holding up your spiritual progress and expansion through auditing,
- If you feel there is any barrier to your attainment of the full gains of auditing,
- If you have an incomplete auditing level or action,

The Director of Validity in the Qualifications Division will be pleased to arrange a Free Auditing Check for you. This is a simple check, done on a meter by an expert auditor, to help you find the exact source of any difficulty you may have experienced.

You'll feel *much* happier, ready to resume your progress towards higher levels of spiritual ability and awareness through Scientology auditing.

Contact the Receptionist. Tell her you want a Free Auditing Check.

No Appointment Necessary

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HEAD OFFICE 9111 WILSHIRE BOULEVARD BEVERLY HILLS, CALIFORNIA 90213

1-0125364-6 WCK OCT 30, 1975

PAY ●●●●●●●300DOLLARS AND 00CENTS $ ●●●●300.00●

TO THE RICHARD MARK HERMANN

ORDER OR FREDA HERMANN

OF VOID VOID NOT NEGOTIABLE

Down payment on vital information rundown, total price $500; balance to be added on to balance of class IX package. Next payment of $10c due Nov. '75

UNITED CALIFORNIA BANK

CUSTOMER COPY

16-20
1220

GIBRALTAR SAVINGS and Loan Association
HEAD OFFICE 9111 WILSHIRE BOULEVARD BEVERLY HILLS, CALIFORNIA 90213

14- 643516

1-0125364-6 WCK MAR 26, 1975

PAY ●●●●●●●475DOLLARS AND 00CENTS $ ●●●●●475.00●

TO THE RICHARD MARK HERMANN

ORDER OR FREDA HERMANN

Ex-Dr
Package Pay-off

NOT NEGOTIABLE

OF VOID VOID

UNITED CALIFORNIA BANK

CUSTOMER COPY

16-20
1220

GIBRALTAR SAVINGS and Loan Association
HEAD OFFICE 9111 WILSHIRE BOULEVARD BEVERLY HILLS, CALIFORNIA 90213

14- 436677

PAY 0125364-6 WCK JAN 06, 1975 $

●●●●●●●900DOLLARS AND 00CENTS ●●●●●900.00●

TO THE RICHARD MARK HERMANN

ORDER OR FREDA HERMANN

Ex-Dr
Package

NOT NEGOTIABLE

OF VOID VOID

UNITED CALIFORNIA BANK

CUSTOMER COPY

J. Exh. 5E

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ASHO FOUNDATION

THE CENTER OF UPPER LEVEL TRAINING AND PROCESSING FOR THE WORKING SCIENTOLOGIST

THE CHURCH OF SCIENTOLOGY OF CALIFORNIA
American Saint Hill Organization Foundation, 2723 West Temple Street
Los Angeles, California 90026 Telephone 213 380-0710

L. Ron Hubbard
Founder

RICHARD HERMANN
22307 KENT AVE #34
L.A. CAL. 90505
323-5770

TREASURY DIVISION
STATEMENT OF ACCOUNT

DATE	INVOICE NO. & DESCRIPTION	AMOUNT USED	AMOUNT PAID	AMOUNT ACCOUNT
DEC 15	16837 PAID STAFF COURSE	----	121 25	121 25
JAN 15	15552 PAID XDN CLASS	----	400 00	521 25
FEB 15	22600 PAID XDN	----	475 00	3086
MAR 15	[illegible] PAID CC II [illegible]	[illegible]	1000 00	3086
APR 15	23101 PAID [illegible]	----	1500 00	4586
JUN 15	[illegible] PAID [illegible]	----	[illegible]	[illegible]
JUL 15	27115 PAID CLASS II DEC	----	1000 00	5586
AUG 15	29116 PAID CLASS II ADULT	----	100 00	5886
SEP 15	32257 PAID CLASS IV	----	100 00	5986
OCT 15	34521 PAID CLASS IV	----	100 00	6086
NOV 15	36022 PAID CLASS IV INC FD	----	400 00	6486
NOV 15	35421 PAID [illegible]	----	100 00	6586
DEC 15	[illegible] PAID CLASS IV	----	100 00	6686
MAR 16	[illegible] PAID CLASS IV	----	100 00	6786
MAY 16	42416 CLASS IV pkg	----	200 00	6886

Exh A

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Get the DATA of the Upper Level Training through

Triple Flow* Class IX

at

ASKO Foundation



"The moment a persons starts training, he's already walking a track which is higher than the track to Clear."

L. Ron Hubbard

Be Able to CRACK Any Case

The phenomenal data at the Upper Level Training Bridge is available to you now at ASKO Foundation. You can move quickly and easily up to Class IX here and become one of the most highly trained beings on this planet. The training route is the route for all people who really want to help their fellow man and with Ron's data from these courses you will be completely able to help. You gain the certainty and ability to apply Ron's tech to any case and you apply the data to 100% standard results.

The Saint Hill Special Briefing Course is Ron's special course for you. The materials covered include the tapes, books and bulletins from 1965 to 1966 and with this data you will become a really professional auditor. On the course you go through the development of the tech just as Ron did when he developed the materials and you gain a thorough understanding of the basics of Scientology. Following the Briefing Course you will do the Class VI Internship and really put the materials from the Briefing Course to work by applying them to others and increasing your certainty of them as you apply them. You become a fearless Class VI auditor. Upon completion of the Class VI Internship you do the Class VI C/S Course and here you gain the ability to extend your reach as an auditor and apply the materials of the Briefing Course to others and make sure that they apply the data standardly to their pcs. You will have the ability to apply the tech to many different sessions all at one time as you C/S for other auditors who are working under you.

The Class VII Internship follows the Briefing Course and on it you learn the precision of auditing that is required to be a POWER Auditor. You get the data behind the Power Processes and actually audit the processes and do the interning until you are completely certain of your ability to audit with the precision required for Power. Even if you don't plan to audit the Power Processes, the data is very valuable as you learn the precision of skill that will greatly increase your results even on the lower level auditing. Following the Class VII Internship you do the Class VII C/S Course and learn to apply the data as a Case Supervisor. This completes the data of Class VII on all three flows.

Class VIII follows the Class VII Internship and on the Class VIII Course you will learn the secrets of the universe that only Class VIIIs are given. The course covers the exact nature of a thetan, how the mind works, exactly who Ron is and why he's here, why the tech was developed, and much, much more. On this course there are 19 confidential tapes that Ron gave to the original Class VIII Course on Flag. With this data you are armed with an understanding that is so complete that standard tech is a simple matter and you can produce it with ease. The materials of the Class VIII Course are strictly confidential as are the materials on the Class VII Internship and C/S Course. Following the Class VIII Course is the Class VIII Internship and you apply the data and polish your skill as a Class VIII. The Class VIII C/S Course is then done and you learn to apply the data of standard tech as a Case Supervisor.

The final step of your training at ASKO Foundation is the Class IX Course. The Class VIII Course covered the materials that were developed from 1966 to 1968 and the Class IX Course takes you from 1968 to 1971 and aligns the developments from that period of time. On it you learn the basics behind interiorization and exteriorization, you see the confidential bulletins and folders personally C/Sed by Ron that show how he developed the tech on them, and much more confidential data behind many of the recent rundowns that have been released. Following the Class IX Course you do the Class IX Internship and gain the ability to apply with certainty all the materials covered on the Class IX Course. The Class IX C/S Course has not been released.

Get the data contained on these courses and become one of the highest trained auditors on the planet.

The Upper Level Training Courses are available in several different packages which represent great savings for you. The following is a list of the packages, what they include, the donation for the package and the donation if not in a package. Package donations include the 5% discount for pre-payment.

SHSBC TRIPLE FLOW PACKAGE-contains the Briefing Course, Class VI Internship and Class VI C/S Course. Package Donation: $1,710.00; Full Donation without package: $3,075.00.

SHSBC-POWER TRIPLE FLOW PACKAGE-contains the Briefing Course, Power Processing, Class VI Internship and Class VI C/S Course. Package Donation: $2,310.00; Full Donation without package: $5,660.00.

FULL TRIPLE FLOW TRAINING PACKAGE-contains the Briefing Course, Class VII, VIII and IX and all Internships and C/S Courses. Package Donation: $7,600.25; Full Donation without package: $20,600.00.

FULL TRIPLE FLOW TRAINING PACKAGE (with POWER PROCESSING)-contains the Briefing Course, Power Processing, Class VII, VIII and IX and all Internships and C/S Courses. Package Donation: $7,600.25; Full Donation without package: $32,379.00.

* Triple Flow Training-See questions on back for complete definition.

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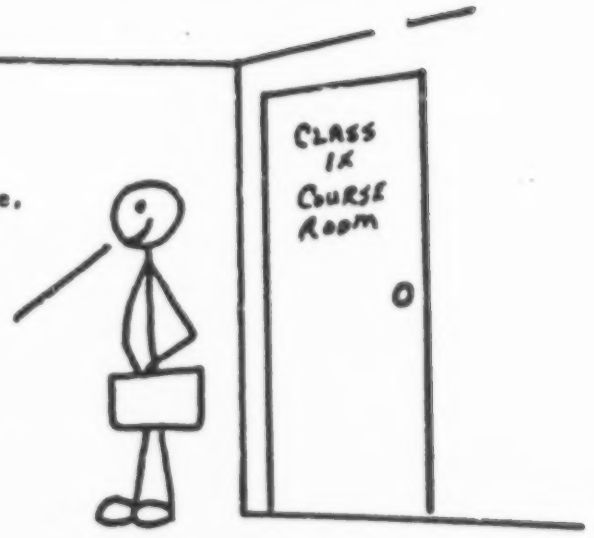
Exh. M

BEST AVAILABLE COPY

What have you gained since you became a triple flow trained Class IX?



I can crack any case, even the "difficult" ones with ease and apply the data flublessly with 100% standard results. I am basically certain of my ability as an Auditor and as a Case Supervisor.



QUESTION: Who can be a Class IX?
ANSWER: Anyone who meets the necessary training and/or case requirements.

QUESTION: What are the necessary prerequisites for the courses?
ANSWER: For the Upper Level Training Bridge this is what they are:

THE SAINT HILL SPECIAL BRIEFING COURSE (Classes V and VI)-Class IV Auditor or the state of Clear or HPA/HCA (Hubbard Professional Auditor/Hubbard Certified Auditor) if certified prior to 1964, Hubbard Dianetic Counselor and the Primary Rundown. The HDC can be done here at ASHO Foundation prior to the Briefing Course if not already done. The Primary Rundown is offered free of charge to students on the Briefing Course if not already done and is completed just prior to starting the Briefing Course. A graduate of the Briefing Course is awarded Provisional Class VI Auditor certification.
CLASS VI INTERNSHIP-Provisional Class VI Auditor. The graduate of the Class VI Internship is awarded Permanent Class VI Auditor certification.
CLASS VI C/S Course-Permanent Class VI Auditor. The graduate of the Class VI C/S Course is awarded certification as a Class VI C/S.

CLASS VII INTERNSHIP-Permanent Class VI Auditor certification, Primary Rundown. The Class VII Internship is the course and internship combined. Upon graduation from the Class VII Internship you are awarded Permanent Class VII certification.
CLASS VII C/S COURSE-Permanent Class VII Auditor and the Class VI C/S Course. Upon graduation you are awarded certification as a Class VII C/S.

CLASS VIII COURSE-Class VII Auditor and OT II and doing well on OT III, Primary Rundown, and Hubbard Dianetic Counselor. The graduate of the Class VIII Course is awarded Provisional Class VIII certification.
CLASS VIII INTERNSHIP-Provisional Class VIII Auditor. The graduate of the Class VIII Internship is awarded Permanent Class VIII Auditor certification.
CLASS VIII C/S Course-Permanent Class VIII Auditor, the Class VI C/S Course and the Class VII C/S Course. Upon graduation from the Class VIII C/S Course you will be awarded Class VIII C/S certification.

CLASS IX COURSE-Class VII Auditor certification, Class VIII Auditor certification and the Primary Rundown. Provisional Class IX Auditor certification is awarded upon graduation of the Class IX Course.
CLASS IX INTERNSHIP-Class IX Auditor certification. Upon completion of the Class IX Internship you will be awarded Permanent Class IX Auditor certification.

QUESTION: What exactly do you mean by triple flow training?
ANSWER: That refers to doing all three flows of training which are:
Flow 1-inflow of the data. This you will do on any regular training course. Flow 2-outflow of the data. This you do on an internship as you outflow the data that you learned on the course by applying it to others. Flow 3-cross flow. This is done by becoming a C/S and seeing that others apply the data to others. That is basically what triple flow is.

QUESTION: WOW! The Upper Level Training Bridge is really here to do, isn't it?
ANSWER: Yes, and you can do it here at ASHO Foundation NOW! If you already meet the prerequisites for the courses, come in right away and get fully trained all the way to the highest level of ability in the hemisphere. If you still have some of the prerequisites to finish before you can come in, just write to the Letter Registrar here at ASHO Foundation and he will get you signed up in advance so that when you are ready there are no stops on your being able to just come right in and get on the way.

QUESTION: That sounds great! Now how do I ensure that I actually get there?
ANSWER: The first thing you do is sign up in advance and make sure that the Letter Registrar knows that you plan to go all the way to the top. Then simply start sending in all you can right away so that you get here as soon as possible and when you do get here there will be no stops on your lines.

APPLICATION FORM

✓ I want to be able to handle any case by becoming a Triple Flow Trained Class IX Auditor.

Enclosed is $_____ as all/part (circle one) of my donation for my Upper Level Training through Triple Flow Class IX.

NAME_____PHONE_____

ADDRESS_____

CITY_____STATE_____ZIP_____

TRAINING LEVEL_____PROCESSING LEVEL_____

OCCUPATION_____WORK HOURS_____

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Exh. O

Achieve the highest level of ability in the hemisphere.

5 6 7 8 & 9

SCIENTOLOGY TRAINING LEVELS EXPLAINED

Contact the Registrar

at your local Church or Mission, or at
The New American Saint Hill Organization
2723 West Temple Street
Los Angeles, California 90026
Phone: (213) 380-0710

Church of Scientology of California
The New American Saint Hill Organization

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You get all the data. Just as Ron developed it.



CLASS 5 AND 6: THE SAINT HILL SPECIAL BRIEFING COURSE

This course was developed and taught by Ron personally to fill the need for higher level training.

On this course, you'll be briefed on all Scientology materials in order from 1948 through 1968. That's a lot. 365 taped lectures.

(continued)

The data learned in order to deliver Dianetics and Grades 0-4 at the local churches are only the bare essentials needed to bring about their results. If it were calculated, a Class 4 Auditor could be said to have learned only about 11% of the vast wealth of technical materials available on the Saint Hill Special Briefing Course.

Class 7, 8 and 9 Courses contain more advanced materials used to free a being. They are grouped into training levels that parallel the advance made by L. Ron Hubbard in his ever-continuing research into the unexplored areas of Life.

These courses are also available in the Western Hemisphere only at the New ASHO in Los Angeles.

New students from everywhere on this side of the world converge on this giant organization every week for the powerful, precise training available here. The way is wide open for you, too!

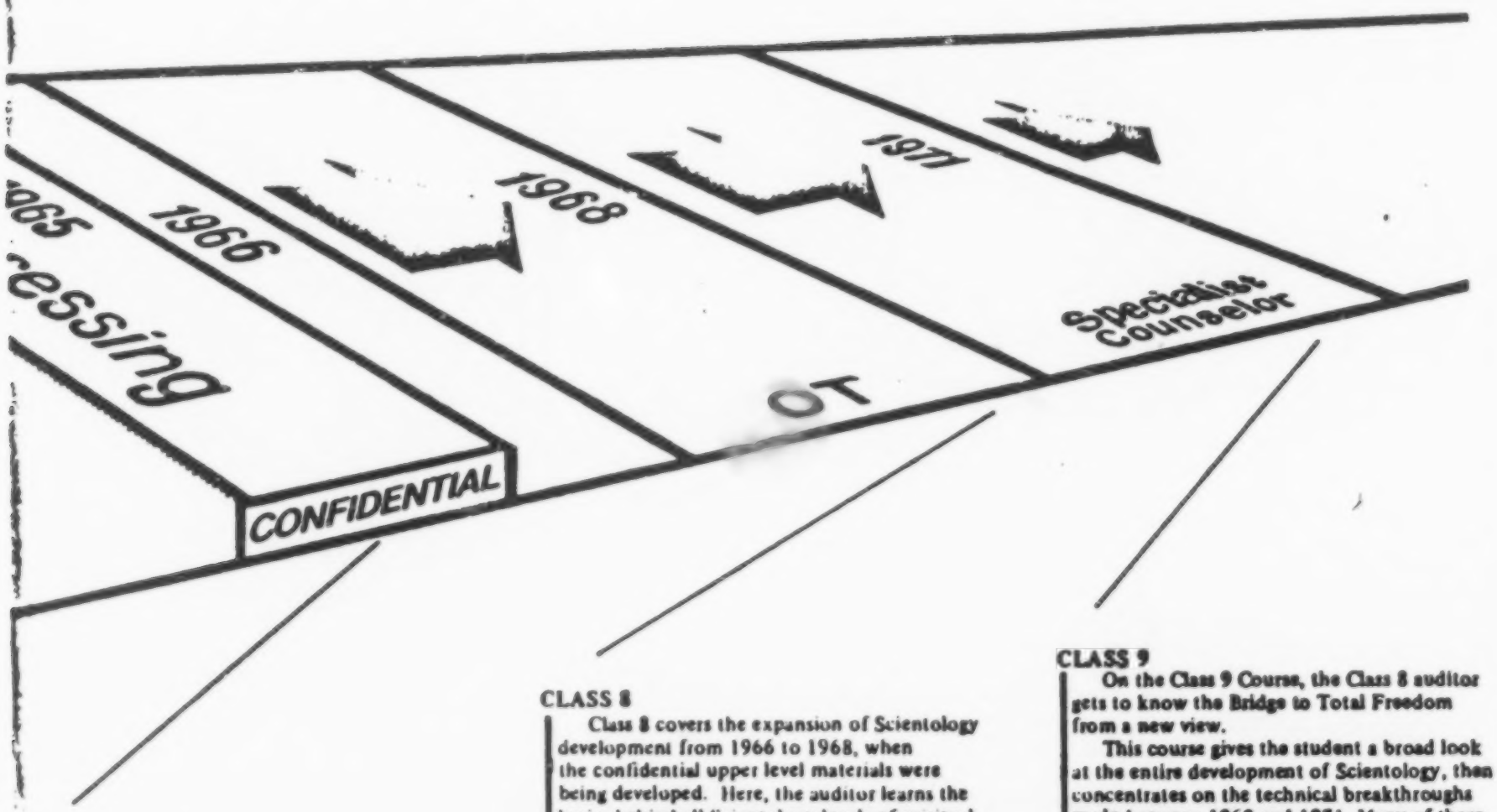
Ron personally gave to students on the original course. All the books. Approximately 3,000 pages of PABS and Bulletins. Along with further training and drilling on skills expected of the Class 6 Auditor, the data on the course ...ngs tremendously increased certainty and confidence, and a well-rounded philosophical understanding of Life itself.

Class 5, the theory part of the course, is studied during the morning hours. In the early afternoon hours, the student studies the Class 6 part of the course, which consists of practical drills. Later in the afternoon, students co-audit.

While on the Briefing Course, you'll receive the fabulous Power and Power Plus processes at a special 50% student discount rate. And you are awarded the Solo Audit Course at the Advanced Organization at no extra charge.

As a graduate of the Briefing Course, you'll have the skills, precision and velocity needed to progress further in Scientology and help more people with auditing. And you'll have such a complete knowledge of the laws of this universe that you'll operate with a tremendously heightened effectiveness in your personal life as well.

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CLASS 7

Class 7 is a short study course and internship combined. It produces a flubless Auditor who can deliver the phenomenal Power and Power-Plus processes with the precision necessary at this level. Class 7 auditors are the only people allowed to deliver these confidential techniques, which are available to all Scientologists at upper level organizations, and staff members at local organizations. Right now, just about any Church of Scientology in the world would hire the first Class 7 who walked in the door, so great is the demand for these cream-of-the-crop professionals.

But auditing Power is only the beginning. The precise communication cycle perfected at this level under the Class 9 Case Supervisor makes a Power auditor different, no matter what he audits. One auditor said "A program that would have taken 5 hours as a Class 6 took 3-3½ hours as a Class 7."

CLASS 8

Class 8 covers the expansion of Scientology development from 1966 to 1968, when the confidential upper level materials were being developed. Here, the auditor learns the basics behind all Scientology levels of spiritual counseling, including the confidential advanced levels. Even people processed to these levels do not have much of the data on Class 8. The course includes 19 taped lectures by L. Ron Hubbard which are available only to Class 8's.

Key secrets of the universe and its present condition that are found only on this course will be available to you. You will receive the full data on the structure of the mind, the exact nature of a spiritual being, and full history of very advanced Scientology materials. You'll be able to deliver spiritual counseling to everyone from a new Scientologist to those at the most advanced levels of processing.

Class 8 is the course which reveals the basic simplicity of 100% standard technology to the auditor, because its materials are truly the essentials of Life itself. And a Class 8 learns to get 100% results. One student states "All the complexities I had left over seemed to just blow off on the 8 course!"

CLASS 9

On the Class 9 Course, the Class 8 auditor gets to know the Bridge to Total Freedom from a new view.

This course gives the student a broad look at the entire development of Scientology, then concentrates on the technical breakthroughs made between 1968 and 1971. Many of these developments are followed right through their research by studies of recent preclear folders personally supervised by L. Ron Hubbard during the course of experimental processing. You will also learn the advanced theory of why many counseling techniques applied at lower levels do work. This gives the Class 9 an unheard-of precision in programming and delivery of these actions.

Interning as a Class 9 produces an auditor completely at ease with the application of all Scientology technology currently in use at Churches throughout the world. You will graduate as a totally experienced auditor, with the highest possible understanding of people.

Church of Scientology of California
The New American Saint Hill Organization

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- Go all the way to Class IX at ASHO. the Class IX Org

Save $647.45

By signing up with complete donation for the full Training Package from Class 5 to 9. Contact the Registrar at your local Church, Mission or directly at ASHO for full information.

GLOSSARY:

PABS: Professional Auditors' Bulletins issued to auditors during the '50s and '60s

Clear: One who can be at cause knowingly and at will over mental matter, energy, space and time as regards the first dynamic (survival for self).

Grade VI Release: The level between Power Plus (Grade VA) and Clear, at which a person becomes free of dramatization.

Operating Thetan (OT): A Clear who has been refamiliarized with his environment to a point of total cause over matter, energy, space and time, and who is not necessarily in a body.

HSDC: Hubbard Standard Dianetics Course.

Preclear: One who is not yet Clear; generally someone receiving Scientology or Dianetic processing.

OT III: The level at which an operating Thetan becomes free from overwhelm.

Internship: Auditing done after a course, where a student perfects his skills and earns permanent certification at his level.

CLASS 9 AUDITOR

Time: 3 weeks. Prerequisites are Class 7 and Permanent Class 8 certificates. Donation: $1,500. Less 5% in advance, $1,425.

Class 9 internship, required for permanent certification, takes 3 weeks. Donation: $375.

CLASS 8 AUDITOR

Time 3 weeks. Prerequisite: Class VII and auditing well on OT III. Donation: $1,500. Less 5% if made in advance, $1425.

Permanent certification is achieved after a Class 8 internship, Allow 3 weeks. Donation: $375.

CLASS 7 AUDITOR

Any Class 6 who has previously done a good Dianetic or Class 4 internship, and who is Clear, may enroll on the Class 7 internship at once.

Time is approximately 3 weeks. Donation: $775. Less 5% if made in advance, $736.25.

CLASS 6 AUDITOR

CLASS 5 AUDITOR

Time: About 5 months. Prerequisite: HSDC and Level 4, or HCA/HPA. Clears and above may begin the Briefing Course immediately after completing HSDC. Donation: $775. Less 5% discount for advance payment: $736.25. Permanent certification is achieved after a Class 6 internship. Time: 3 weeks or so. Donation: $375.

Available only at the New American Saint Hill Organization

CLASS 4 AUDITOR

CLASS 3 AUDITOR

CLASS 2 AUDITOR

CLASS 1 AUDITOR

CLASS 0 AUDITOR

Available at your local Church

DIANETIC AUDITOR

Available at your local Church or Mission



The ability to bring relief and freedom to fellow beings with a precision equal to landing a space-shuttle on the moon is totally new to this universe.

Scientology (the fastest growing religion in the world today) has such a spiritual technology. It was developed over a period of four decades by L. Ron Hubbard, Founder of Scientology, and it is applied each day around the world by highly skilled auditors.

An auditor is a Minister of the Church of Scientology, and is a listener—one who listens carefully to what people have to say. He or she is a person trained and qualified in applying Scientology spiritual counseling to others for their betterment.

In order to set out the specific levels of skill different auditors had achieved, L. Ron Hubbard created a new arrangement to grade Auditors in 1964. This grouping into levels is called the CLASSIFICATION SYSTEM. Today each Auditor is awarded a Class certification for the level of proven ability he has attained.

At lower levels, the beginner is a Dianetic Auditor, and with his specialized skills in spiritual counseling can produce in another a well and happy human being.

A Class 0 (zero) Auditor can produce in another the ability to communicate with anyone on any subject.

A Class 1 Auditor can produce in another the ability to recognize the source of problems and make them vanish.

A Class 2 Auditor can produce in another the ability to be at cause without fear of hurting others.

A Class 3 Auditor can produce in another the ability to face the future and ability to experience sudden changes without getting upset.

A Class 4 Auditor can produce in another the ability to do new things and to face life without need to justify own actions or defend from others—a being who can be right or wrong. **(continued inside)**

BEST AVAILABLE COPY

REGISTRATION PACKET

AS A SPECIAL OFFER TO THOSE WHO PAY IN ADVANCE, A 5% DISCOUNT IS GRANTED. JUST CHECK THE SERVICE OR SERVICES YOU DESIRE AND RETURN WITH YOUR CHECK OR MONEY ORDER, MADE OUT TO: THE NEW AMERICAN SAINT HILL ORGANIZATION:

Name and address:

ADVANCE PAYMENT DISCOUNT FORM

To: The Director of Income

I would like to receive a 5% discount from the New American Saint Hill Organization Foundation for the following marked services, by paying the full price by return mail.

I. TECH COURSES

☐ HUBBARD STANDARD DIANETICS COURSE—Available to people who are coming to Saint Hill for a major service who have not yet completed the course. Price, $500.00. Deducting 5% for Advanced Payment, please make out check/money order and sign:

Please find enclosed my payment of $475.00 for the Dianetics Course.

×

_____

(signature)

☐ HUBBARD DIANETIC INTERNSHIP—Available to people who are coming to Saint Hill for a major service who have not yet completed the course, but who have completed the HSDC. Price, $125.00. Deducting 5% for Advanced Payment, please make out check/money order and sign:

Please find enclosed my payment of $118.75 for the Dianetic Internship.

×

(signature)

☐ HUBBARD DIANETIC C/S COURSE—Available to people who coming to Saint Hill for a major service who have not completed the course, but who have completed the Dianetic Internship. Price, $250.00. Deducting 5% for Advanced Payment, please make out check/money order and sign:

Please find enclosed my payment of $237.50 for the Dianetic C/S Course.

×

(signature)

☐ HUBBARD INTEGRITY PROCESSING COURSE—Available to people who have training in the auditing comm cycle, TR's and metering (old HPA's, Social Counselor's Course, or HDC). More preferrably, that a person have a Class II certificate or above. Price, $500.00. Deducting 5% for Advanced Payment, make out check/money order and sign:

Please find enclosed my payment for $475.00 for the Hubbard Integrity Processing Course.

×

(signature)

☐ INTEGRITY PROCESSING INTERSHIP—The course available to Hubbard Integrity Processing Course graduates to make their certificates permanent. Price, $125.00. Deducting 5% for Advanced Payment, please make out check/money order and sign:

Please find enclosed my payment of $118.75 for the Integrity Processing Internship.

×

(signature)

☐ EXPANDED DIANETICS COURSE (INCLUDING INTERNSHIP)—A course available to people who have completed the Class IV Internship. Price, $1000.00. Deducting 5% for Advanced Payment, please make out check/money order and sign:

Please find enclosed my payment of $950.00 for the Expanded Dianetics Course.

×

(signature)

☐ EXPANDED DIANETIC C/S COURSE—Available to people who have completed the Expanded Dianetics Course and Internship. Price, $325.00. Deducting 5% for Advanced Payment, make out check/money order and sign:

Please find enclosed my payment of $308.75 for the Expanded Dianetic C/S Course.

×

(signature)

☐ SAINT HILL SPECIAL BRIEFING COURSE—For Professional Auditors who hold a Level IV Classification or Clears who have completed the HSDC. Price, $775.00. Deducting 5% for Advanced Payment, make out check/money order and sign:

Please find enclosed my payment of $736.25 for the Saint Hill Special Briefing Course.

×

(signature)

☐ SAINT HILL SPECIAL BRIEFING COURSE—POWER PACKAGE—For Level IV Auditors who have not already had Power Processing. This package includes the Saint Hill Special Briefing Course with a 50% discount on Power Processing. Price, $775.00 plus $600.00, $1375.00. Deducting 5% for Advanced Payment on the Saint Hill Special Briefing Course, please make out check/money order and sign:

Please find enclosed my payment for $1336.25 for the Saint Hill Special Briefing Course Power Package.

×

_____

(signature)

☐ CLASS VI INTERNSHIP—An Internship for Class VI Auditors who have not done the lower internships which fully qualifies the auditor to permanent Class VI. Price, $375.00. Deducting 5% for Advanced Payment, please make out check/money order and sign:

Please find enclosed my payment of $356.25 for the Class VI Internship.

×

_____

(signature)

☐ CASE COMPLETIONS—Case Completions are actions by higher Classed Auditors done to complete actions to complete other incomplete actions up to a person's current case level.

Sold at regular intensive rates of:

$625 per 12½ hour intensive
$1250 per 25 hour intensive
$2350 per 50 hour intensive
$3350 per 75 hour intensive

$4250 per 100 hour intensive
$5750 per 50 hour intensive

5% Advance Payment discount of:

$593.75 per 12½ hour intensive
$1187.50 per 25 hour intensive
$2233.50 per 50 hour intensive
$3192.50 per 75 hour intensive
$4037.50 per 100 hour intensive
$5462.50 per 150 hour intensive

At 5% Advance Payment rates, please make out your check/money order and sign:

Please find enclosed my payment of _____ for a —— hour intensive.

×

_____

(signature)

Total Payment Due

TOTAL .....

Make out your check/money order for this amount payable to the New A.S.H.O., and return with this registration packet.

NOTE: If you do not have the full payment to take advantage of the 5% discount, you may use your Advance Registration Deposit of $150 as a down payment and pay the rest in monthly installments.

☐ Check here if this service is desired. Then fill out and return the New American Saint Hill Savings Club Application.

TAKE THE BRIEFING COURSE ROUTE TO CLEAR AND SAVE £1375 FOR YOUR O.T. LEVELS



The SHSBC only takes about 3 months so you'll be Clear FAST!
And you will have saved £1375 towards your
O.T. levels and further training.

YOU WILL ALSO BE A MORE CAPABLE O.T. AS YOU'LL HAVE THE DATA TO HELP PEOPLE — AS AN O.T.

Exh. V

TRAIN NOW



On The SAINT HILL
SPECIAL BRIEFING COURSE

START on a SUCCESSFUL CAREER OF HELPING PEOPLE GO FREE

Ex. V

Get the satisfaction of watching others go free



Being an Auditor, you already know tnat there's nothing like the excitement of the moment your preclear suddenly discovers a new awareness or realizes a new ability. And knowing that you helped is a satisfaction beyond compare. It's the most O.T. effect you can cause. The Briefing Course is what makes you a professional at this.

TRAIN WEEK NIGHTS AND/OR WEEKENDS AT:

ASHO FOUNDATION

ON THE SAINT HILL SPECIAL BRIEFING COURSE

You know that as an auditor, if you continue the same process after the preclear has reached End Phenomena on it, he'll go into a decline. Nothing ever stays the same in this universe. That which does not expand tends to contract. So it is vital that you continue on up the Bridge with your training and continue to expand to full O.T. Being an Auditor, you are already among the most capable Beings on this Planet. Decide that you're going to do your Briefing Course now and make it happen.

write or see:

The Letter Registrar
New American Saint Hill Foundation
Church of Scientology
2723 West Temple Street
Los Angeles, California 90026 (213) 386-7100

Copyright (c) 1973 by L. Ron Hubbard. All rights reserved. The Church of Scientology is a non-profit organization. Scientology is an applied religious philosophy.

YOU'LL ENJOY WORKING WITH THE WINS OF TECH AS YOU INCREASE YOUR ABILITIES

Finished the SHSBC. Great wins doing this course! Every Class IV should do this course. It gives the complete data for an accomplished auditor. The V Checksheet was the best ever and VI polished my skills. I'm looking forward to Class VII and further auditing ability and wins.

Ron Wolfe
SHSBC Graduate

Level V is a very groovy course. It is the perfect gradient for any Class IV interned auditor. I gained a very orderly time track of tech knowledge which goes with any well rounded auditor. I feel really good that I accomplishlished this tremendous cycle.

Sheila Sullivan
Level V Grad.

This is the greatest action I have done in Scientology. This technology and ability gives one what he needs to succeed in life and livingness and help others to succeed.

LaVerne Jardine
Level V Grad.

I have so much affinity for Ron! After getting all the data on Level V, I have a very new and comprehensive viewpoint on auditing. I have watched over the months how my auditing has changed as a result of what I have learned on the SHSBC. I am very comfortable with Standard Tech.

Karen Rathburn
Level VI

Level V is by far the best course I've ever done. Studying all the Briefing Course data in chronological order has given me a relaxed, secure understanding of the lower level technology and a fantastic affection and admiration for LRH.

Don Rowley
Level V Grad.

BUT — how easy is it?

With the latest tech on study (Primary Rundown is free with the Saint Hill Special Briefing Course) and Integrity Processing for students and Auditors, any trouble you ever had on the lower levels will be be handled with ease at ASHO, and you'll fly through with lots of wins!

THE CHURCH OF SCIENTOLOGY
MISSION OF RIVERSIDE

3485 UNIVERSITY AVE.
RIVERSIDE, CALIFORNIA 92501
(714) 683-4574

Customer's Order No. 825-4227 | Date 13 FEB 1977

Sold to DAVE MAYNARD

Address 251 E MARIANA ST

City RIALTO, CA 92376

Sold by	Cash	C.O.D.	Charge	On Acct	Mdse. Ret.	Paid Out	

Quantity	Description	Price	Amount
	25HRS X ON @ 88¢/HR		
	OUT OF AP		22.00
	PRICE AT TIME OF PURCHASE		
		Tax	
Thank You	In case of claims or returned goods please present this bill	Total	

I have read the "Information , Definitions, Rules" dated MARCH 1976 and I understand that it contains the basis upon which the above religious services of auditing and/or training are delivered by the Church.

No. 22043 David F. Maynard
MEMBER'S SIGNATURE

UARCO Business Forms

THE CHURCH OF SCIENTOLOGY

MISSION OF RIVERSIDE

3485 UNIVERSITY AVE.
RIVERSIDE, CALIFORNIA 92501
(714) 683-4574

(P)

Customer's Order No.	Date
875-4227	13 FEB 1977

Sold to: DAVE MAYNARD

Address: 251 E MACIAL A ST

City: RIALTO, CA 92376

Sold By	Cash	C.O.D.	Charge	On Acct.	Mdse. Ret.	Paid Out	
DM							

Quantity	Description	Price	Amount
	KOAKS @ 50∞/AC		
	CUT OF AP		5000
	PRICE AT TIME		
	OF PURCHASE		
		Tax	
Thank You — In case of claims or returned goods please present this slip		Total	

I have read the "Information, Definitions, Rules" dated MARCH 1976 and I understand that it contains the basis upon which the above religious services of auditing and/or training are delivered by the Church.

No. 22042 David F. Maynard

MEMBER'S SIGNATURE

UARCO Business Forms

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CHURCH OF SCIENTOLOGY
MISSION OF RIVERSIDE

(For the Communication Course application only.)
INFORMATION - DEFINITIONS - RULES
December 1976

(THE BASIS UPON WHICH TRAINING IS DELIVERED BY THE CHURCH)

Scientology, as practiced by the Church of Scientology, is a spiritual and religious guide intended to make persons more aware of themselves as spiritual beings and not treating or diagnosing of human ailments of the body or mind nor engaged in the teaching or practicing of the medical arts or sciences.

Dianetics is practiced in the Church of Scientology as pastoral counselling, addressing the Spirit in relation to his own body and intended to increase well-being and happiness.

The Church of Scientology advises medical attention from a person's own doctor for any physical infirmity or mental illness, and reserves the right to suspend from training, any such person until he has sought advice from a medical practitioner.

DEFINITIONS

SCIENTOLOGY - The word Scientology is derived from the Latin SCIO (I know; sciens, knowing) and the Greek LOGOS (the word; ology, study of). It is an applied religious philosophy.

DIANETICS - Dianetics is derived from the Greek DIA (through) and NOUS (spirit).

• • • • • •

A student is required to eat properly, sleep well and refrain from drugs and alcohol during the period that he or she is on course.

A person who uses drugs by way of medical treatment should seek the advice of a medical practitioner before ceasing to use them.

Nothing is claimed for any course of training given by the Church other than claims made in its own current professional literature which relate specifically to a particular course given by the Church and which bear the Church's copyright. By "current" is meant within a year of commencing a particular course.

Scientologists recognize and revere the Spiritual leadership of L. Ron Hubbard as the Founder, and as the source of the religious philosophy of Scientology. His achievement in developing a practical and workable religious technology is without parallel in history.

He is not a Director of the Church of Scientology, and has no legal responsibility for its management. The practice of Scientology and Dianetics in the Church and the provision of all courses of training, are the sole responsibility of the present Board of Directors.

There are many books on the subject Scientology and Dianetics, by L. Ron Hubbard. As he himself has said, "they are a record of research and are writings. They represent a very broad survey of the whole field of human knowledge and the mind and contain ANYTHING THAT WAS FOUND". They recount observations by the author as a consequence of his research and learning over a long period of time, and should be construed only as a written record of such research and not as a statement of claims made by the Church or the author. The books must be available to students, for the student to reach his own understanding of the teachings of L. Ron Hubbard, and in adopting this position, the Church adopts these words of its Founder:

"WHAT IS TRUE FOR YOU IS WHAT YOU HAVE OBSERVED FOR YOURSELF."

"NOTHING IN DIANETICS AND SCIENTOLOGY IS TRUE FOR YOU UNLESS YOU HAVE OBSERVED IT."

"AND IT IS TRUE ACCORDING TO YOUR OBSERVATION THAT IS ALL."

Subject to the policies of the Claims Verification Board, a student who (1) is no longer in agreement with the Creed of the Church of Scientology, (2) makes a written request for a refund not later than 90 days after the end of the Communications Course, (3) undertakes to release the Church and its employees from further obligation, (4) agrees to abide by the Administrative procedures of the Claims Verification Board may be granted a refund of the hours not yet delivered for the Communications Course, less a 12½% administrative fee (12½% of the total donation for the Communications Course). The Communications Course is delivered based upon the student taking 40 hours to complete. Thus, for example, if a student has been on the Communications Course for 20 hours, he can request a refund of one half of the donation paid less a 12½% administrative fee. However, he will not again be allowed to take Scientology services. If, on the other hand, the full 40 hours have been delivered OR the course has been completed accompanied by a Success Story, there is no recourse for refund.

The results claimed, and the benefits obtainable from Church services, though they may be observable to others, are personal and are experienced by the individual himself or herself. It is essential that you participate actively and honestly in the course you are undergoing, and while so doing observe the advices and ethical prescriptions which the Church has laid down to assist your progress.

In return, the Church will do its best to ensure that you attain the result claimed for the particular course you are undergoing.

You are expected not to proceed to a further course until you are completely satisfied with the results obtained from your preceding course.

Minors are required to obtain the consent of a parent or guardian before undertaking a course.

The Church may suspend any student, for violation of the course rules.

The Church delivers training solely on the understanding contained in this sheet, and you are requested to have carefully read and digested it before commencing any course or counselling.

ENROLLMENT FORM (PART ONE)

INTERNATIONAL MEMBER APPLICATION FORM: I, ...
(Full Name)

of .....
(Address)

apply for Church of Scientology International Membership. I am willing to subscribe to the Creed of the Church of Scientology, and to the mission and purpose of the Church of Scientology, which is to assist the individual to become more aware of himself as an immortal being, and to help him achieve basic truths with regard to himself, his relationship to the physical universe, and the Supreme Being, and to create, here on earth, a civilization of which all can be proud.

Signed ..... Date .....

ENROLLMENT FORM (PART TWO)

1. (To be completed by applicant) I, ...
(Full Name)

of .....
(Address)

being a Church of Scientology International Member hereby apply for The Communications Course, in the Church of Scientology, Mission of Riverside. The member has read the above "Information, Definitions, Rules" Dated December 1975 and understands that it contains the basis upon which the Communications Course is delivered by the Church.

Signature of Member ..... Date .....

Signature of Parent or Guardian if applicant is a minor.

..... Date .....

Name of person accepting application on behalf of the Church

..... Offering: .....

Signed on behalf of the Church: ..... Date .....
(For the Board of Directors)

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THE CHURCH OF SCIENTOLOGY
MISSION OF RIVERSIDE
3486 University Ave, Riverside, Ca. 92501 Phone (714) 683-4674

Information - Definition - Rules
The basis upon which auditing and training is delivered by the church
For students and preclears, MARCH 1976

Scientology, as practised by the Church of Scientology, is a spiritual and religious guide intended to make persons more aware of themselves as Spiritual Beings restoring respect for self and others, and not treating or diagnosing human ailments of body or mind nor engaged in the teaching or practicing of the medical arts or sciences.

Dianetics is practiced in the Church of Scientology as pastoral counselling, addressing the Spirit in relation to its body and is intended to increase wellbeing and peace of mind.

The Church of Scientology advises medical attention from a person's own doctor for any physical infirmity or mental illness, and reserves the right to suspend from auditing or training, any such person until he has sought advice from a medical practicioner.

The word Scientology is derived from the Latin Scio (I know: scien, knowing) and the Greek Logos (the word: ology, study of). It is an applied religious philosophy.

Dianetics is derived from the Greek DIA (through) and NOUS (spirit).

AUDITING is a pastoral counselling procedure by which an individual is helped, in stages, to recover his self-determinism, ability and awareness of self, restoring respect for self and others.

An AUDITOR (literally: one who listens) is a trained Scientology Minister or Minister in-training, who delivers Scientology or Dianetic auditing.

The Auditor uses interpersonal communication and carefully devised questions and drills, intended to enable the Church member being audited, called the PRECLEAR, to discover or thereby remove his self-imposed limitations.

A preclear or student is required to eat properly, sleep well, and refrain from drugs and alcohol during the period that he or she is being audited or trained.

A person who uses drugs by way of medical treatment should seek the advice of a medical practicioner before ceasing to use them.

Nothing is claimed for any auditing or training given by the Church, other than claims made in it's own current professional literature which relate specifically to a particular auditing level or training course given by the Church and which bear the Church's copyright. By current is meant within a year of commencing a a particular auditing level or training course.

The E-Meter is used in auditing, by the auditor, who has been trained in its use. It is not used by the preclear, nor is a preclear required to possess one. Indeed, the Church will only make E-Meters available to Ministers and student Ministers. It is a religious artifact, which is intended to help the Auditor to audit the preclear. By itself, it does nothing. It may be compared with a magnifying glass which enables a viewer to observe things of the Spirit which he would otherwise miss. It is not intended for, or effective in, the diagnosis, treatment or prevention of any disease.

Scientology recognizes and revers the Spiritual leadership of L. Ron Hubbard as the Founder, and as the source of the religious philosophy of Scientology. His achievement in developing a practical and workable religious technology is without parallel in history.

He is not a Director of the Church of Scientology, and has no legal responsibility for its management. The practice of Scientology and Dianetics in the Church and the provisions of all courses of auditing and training are the sole responsibility of the present Board of Directors.

There are many books on the subject of Scientology and Dianetics by L. Ron Hubbard. As he himself has said, "they are a record of research and are writings. They represent a very broad survey of human knowledge and contain "ANYTHING THAT WAS FOUND". They recount observations by the author as a consequence of his research and learning over a long period of time, and should be construed only as a written record of such research and not as a statement of claims made by the Church or the author. The books must be available to students, for the student to reach his own understanding of the teachings of L. Ron Hubbard, and in adopting this position, the Church adopts those words of its Founder: "WHAT IS TRUE FOR YOU IS WHAT YOU HAVE OBSERVED FOR YOURSELF." "NOTHING IN DIANETICS AND SCIENTOLOGY IS TRUE FOR YOU UNLESS YOU HAVE OBSERVED IT." "AND IT IS TRUE ACCORDING TO YOUR OBSERVATION THAT IS ALL".

Subject to the policies of the Claims Verification Board, a preclear or student who (1) is no longer in agreement with the Creed of the Church of Scientology (2) makes a written request for a refund not later than 90 days after the end of auditing or training (3) undertakes to release the Church and its employees from any further obligation (4) agrees to abide by the administrative procedures of the Claims Verification Board, may be granted a refund of hours not yet delivered for that particular auditing level or training course. REFUND FOR TRAINING: Each training course is delivered on estimated hours of completion, as written on course check sheet. A refund may be requested on any undelivered hours, less a 12½% administrative fee of the total donation for stated course. REFUND FOR AUDITING: Auditing is delivered on an hourly basis and all requested refunds shall be computed according to the following formula. Total donation less 12½% administrative fee of total donation less number of auditing hours used multiplied by ... per hour equals amount of refund. If the total hours donated have been delivered or the auditing and/or training has been completed accompanied by a Success story there is no resource for refund.

It is within the absolute discretion of the Case Supervisor whether or not a preclear continues his/her auditing or routes on to training or Life Repair.

The results claimed, and benefits obtainable from auditing and training, though they may be observable to others, are personal and are experienced by the individual himself or herself. It is essential that you participate honestly and actively in the auditing level you are undergoing.

In return, the Church will do its best to ensure that you attain the result claimed for the particular auditing level or training course you are undergoing.

You are expected not to proceed to a further course until you are completely satisfied with the results obtained from your preceding course.

Minors are required to obtain the consent of a parent or guardian before undertaking an auditing level or training course.

The Church may suspend any preclear or student for violation of the auditing or training course rules, without recourse to refund.

The Church delivers auditing and training solely on the understanding contained in the above, and you are required to have carefully read and digested it before commencing any auditing level or training course.

ENROLLMENT FORM (PART ONE)

INTERNATIONAL MEMBER APPLICATION FORM I, ... (Full Name)

of ..... (Address) ..... (Date of Birth)

apply for Church of Scientology International Membership. I am willing to subscribe to the Creed of the Church of Scientology, and to the mission and purpose of the Church of Scientology, which is to assist the individual to become more aware of himself as an immortal being, and to help him achieve basic truths with regard to himself, his relationship to the physical universe, and the Supreme Being, and to create, here on earth, a civilization of which all can be proud.

Signed ..... Date .....

ENROLLMENT FORM (PART TWO)

1. (To be completed by applicant) I, ... (Full Name) of ..... (Address)

being a Church of Scientology International Member hereby apply for spiritual counselling (auditing/training), in the Church of Scientology, Mission of Riverside. Give details if you wish: .....

The member has read the above "Information, Definitions, Rules" Dated March 1976 and understands that it contains the basis upon which the religious services of auditing and training are delivered by the Church.

Signature of Member ..... Date .....

Signature of Parent or Guardian if applicant is a minor ..... Date .....

NAME OF MEMBER .....

Level of Spiritual Counselling /Training applied for: .....

Name of person executing application on behalf of the Church .....

Signed on behalf of the Church .....

9003 386 Copyright © 19[illegible] by [illegible] INT NO. 371405

Exh. AE

SUPREME COURT OF THE UNITED STATES

No. 87-1616

KATHERINE JEAN GRAHAM, *et al.*,
Petitioners

v.

COMMISSIONER OF INTERNAL REVENUE

ORDER ALLOWING CERTIORARI

Filed May 23, 1988

The petition herein for a writ of certiorari to the United States Court of Appeals for the Ninth Circuit is granted. This case is consolidated with No. 37-963, *Hernandez v. Commissioner of Internal Revenue*, and a total of one hour is allotted for oral argument.

Justice Brennan and Justice Kennedy took no part in the consideration or decision of this petition.

UNITED STATES TAX COURT

#13620-84

MR. ROBERT L. HERNANDEZ,
Petitioner

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent

PETITION

The petitioner hereby petitions for a redetermination of the deficiency set forth by the Commissioner of Internal Revenue in his notice of deficiency dated 21 February 1984, and as the basis for his case alleges as follows:

1) The petitioner is an individual with principal' office now at 14th St. & D 26, Quintas Decupey, Rio Piedras Puerto Rico 00926. The return was filed with the Office of the Internal Revenue Services at Philadelphia, PA.

2) The notice of deficiency was mailed to the petitioner on 21 February 1984 and was issued by the Office of the Internal Revenue Service at Washington, D.C.

3) The deficiencies as determined by the Commissioner are in income taxes for the calendar year 1981 in the amount of $2,245.00 of which $2,245.00 is in dispute.

4) The determination of tax set forth in the said notice of deficiency is based upon the following errors:

   a) Payments made by Mr. Robert L. Hernandez to the Church of Scientology are deductible under IRC 170.

5) The facts upon which the petitioners relies as the basis of his case, are as follows:

a) As in #4 above, we state that these payments to the Church of Scientology are donations. The petitioner has already proven that payments were made.

The petitioner requests that proceedings not be conducted under IRC 7463. The petitioner requests that the place of trial be Los Angeles, CA.

Wherefore, the petitioner prays that the deficiency of $2,245.00 be waived.

Dated: 4 May 1984

/s/ Robert L. Hernandez

Mr. Robert L. Hernandez
c/o 1770 N. Vermont #108
Los Angeles, CA 90027
213-666-7700

Department of the Treasury
Social Security Number or
Employer Identification Number:
093-40-9237
Tax Year Ended and Deficiency:
12-31-81 $2,245.00

Person to Contact:
E. M. Brookins
Contact Telephone Number:
(202) 566-3573

Internal Revenue Service
Foreign Operations District

Date: 21 Feb. 1984

Mr. Robert L. Hernandez
14th St. & D 26, Quintas Decupey
Rio Piedras, Puerto Rico 00926

Dear Mr. Hernandez:

We have determined that there is a deficiency (increase) in your income tax as shown above. This letter is a NOTICE OF DEFICIENCY sent to you as required by law. The enclosed statement shows how we figured the deficiency.

If you want to contest this deficiency in court before making any payment, you have 90 days from the above mailing date of this letter (150 days if addressed to you outside of the United States) to file a petition with the United States Tax Court for a redetermination of the amount of your tax. The petition should be filed with the United States Tax Court, 400 Second Street, NW, Washington, DC 20217, and the copy of this letter should be attached to the petition. The time in which you must file a petition with the Court (90 or 150 days as the case may be) is fixed by law and *the Court cannot consider your case if your petition is filed late.* If this letter

is addressed to both husband and wife, and both want to petition the Tax Court, *both* must sign the petition or each must file a separate, signed petition.

If you dispute not more than $5,000 for any one tax year, a simplified procedure is provided by the Tax Court for small tax cases. You can get information about this procedure, as well as a petition form you can use, by writing to the Clerk of the United States Tax Court at the Court's Washington, DC address shown above. You should do this promptly if you intend to file a petition with the Tax Court.

If you decide not to file a petition with the Tax Court, we would appreciate it if you would sign and return the enclosed waiver form. This will permit us to charge your account quickly and will limit the accumulation of interest. The enclosed addressed envelope is for your convenience. If you decide not to sign and return the statement and you do not timely petition the Tax Court, the law requires us to bill you after 90 days from the above mailing date of this letter (150 days if this letter is addressed to you outside the United States).

If you have any question, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

ROSCOE L. EGGER, JR.
Commissioner

By /s/ Thomas J. Clancy
District Director,
Foreign Operations District

Enclosures:
Copy of this letter

Waiver

Envelope

BEST AVAILABLE COPY

Income Tax Examination Changes

Name of Taxpayer	Year	Form	Filing Status	In Reply Refer To:
ROBERT L. HERNANDEZ	1981	1040	SINGLE	PR/AG
Name and Title of Person With Whom Changes Were Discussed	**Date of Report**		**Social Security Number**	**Examining District**
	12-22-83		093-40-9237	GG

Income and Deduction Amounts Adjusted

Explanation No. (See attached)	Item Changed	Amount Shown on Return or as Previously Adjusted	Corrected Amount of Income and Deduction	Adjustment Increase (Decrease)
3601	Contributions	7,398.00	60.00	7,338.00

A. Adjustment in income-increase (decrease) (see explanation of adjustments attached)	7,338.00
B. Adjusted gross, taxable, or tax table income reported or as previously adjusted	13,799.00
C. Corrected adjusted gross, taxable, or tax table income	21,137.00
D. Tax computed with exemptions	4,503.00
E. Credit for personal exemptions	—
F. Tax credits (credit for the elderly, investment, foreign, or other allowable credits) (if adjusted, see explanation attached)	—
G. Other taxes (self-employment, minimum, alternative minimum, tax from recomputing prior year investment credit, advance earned income credit payments, etc.) (if adjusted, see explanation attached)	—
H. Corrected tax (line D less line E less line F plus line G)	4,503.00
I. Tax shown on return or as previously adjusted	2,258.00
J. Deficiency (increase in tax before credit adjustments—line H less line I)	2,245.00
K. Overassessment (decrease in tax before credit adjustments—line I less line H)	—
L. Adjustments to prepayment credits	—
M. Balance due – this does not include any interest charges (line J or K as adjusted by line L)	2,245.00
N. Overpayment – this does not include any interest due you (line J or K as adjusted by line L)	—
O. Penalties, if any (see explanation attached)	—

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases exchanged with the states. If this change affects the amount of your state income tax, you should file the required state form.

Consent to Assessment and Collection - I do not wish to exercise my appeal rights with the Internal Revenue Service or to contest in the United States Court the findings in this report. Therefore, I consent to either:
(1) The immediate assessment and collection of the balance due shown on line M, plus any interest due on this tax, and also any penalties shown on line O, or
(2) The overpayment shown on line N, plus any interest and adjusted by penalties shown on line O.

Your signature _____ Date _____ Spouse's signature, if a joint return was filed _____ Date _____

Form 9 (Rev.

141

Form 886-A
(Rev. May 1980)

Explanation of Item

Name of Taxpayer	Year/Period Ended
ROBERT L. HERNANDEZ	1981/8112

3601- Since the reported contribution was not made to a qualified organization, we disallowed it.

UNITED STATES TAX COURT

Docket No. 13620-24

ROBERT L. HERNANDEZ,
Petitioner,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

ANSWER

THE RESPONDENT, in answer to the petition filed in the above-entitled case, admits and denies as follows:

1. Admits that petitioner is an individual with [residence at 14th St. & D26, Quintas Decupey, Rio Piedras, Puerto Rico 00926. Denies the remaining allegations of paragraph 1 of the petition for lack of current knowledge sufficient to form a basis for belief as to truth of the matter stated.

2. and 3. Admits the allegations of paragraph 2 and 3 of the petition.

4. Denies that the Commissioner erred as alleged in paragraph 4 of the petition.

5. Denies the allegations of paragraph 5 of the petition.

6. Denies generally each and every allegation of the petition not hereinbefore specifically admitted, qualified or denied,

WHEREFORE, it is prayed:

1. That the relief sought in the petition be denied; and

2. That the deficiency in income tax for the taxable year 1981, as set forth in the statutory notice, be in all respects approved.

FRED T. GOLDBERG, JR.
Chief Counsel
Internal Revenue Service

By: /s/ Marlene Gross
MARLENE GROSS
District Counsel
Foreign Operations

Of Counsel:

DAVID E. GASTON
Regional Counsel
KRISTINE A. ROTH
Attorney
District Counsel, Foreign Operations
1325 K Street, N.W., Room 620-A
Washington, D.C. 20225
Tel. No. (202) 566-5862

(Certificate of Service Omitted in Printing)

UNITED STATES TAX COURT

Docket No. 13620-84

ROBERT L. HERNANDEZ,
Petitioner(s),

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

STIPULATION

It is hereby stipulated by and between Petitioner(s) and Respondent, by their respective counsel of record, that they will be bound herein by any relevant findings of fact and conclusions of law made by the Court in its opinions and decisions in three certain 'test' cases, namely, Docket Nos. 5837-76, 9384-79 and 374-80, to the extent that such findings of fact and conclusions of law shall have been actually briefed, argued and submitted in the said 'test' cases, and have been based upon stipulations and/or undisputed facts therein, excluding, however, findings of fact and conclusions of law relating to any petitioner's subjective intent.

It is understood and agreed that nothing in this stipulation, or in any order based hereon, shall in any way be construed as waiving or changing the venue of any appeal from decision herein, as provided in IRC § 7—82 (b)(1)(a); and that to the extent relevant the records in the said Docket Nos. 5837-76, 9384-79 and 374-80 shall be deemed part of the record herein for purposes of any such appeal.

FRED T. GOLDBERG, JR.
Chief Counsel
Internal Revenue Service

By /s/ Dorothy W. Westover

Dorothy W. Westover
Assistant District Counsel
300 W. Los Angeles Street
P.O. Box 2031, Main P.O.
Los Angeles, California 90053
Tel. No. (213) 688-4636

Counsel for Respondents

Dated: 28 Jun. 1984

/s/ Tobias C. Tolzmann
5564 Kawaikui Street
Honolulu, Hawaii 96821
(808) 373-1554

Counsel for Petitioner(s)

Dated: June 21, 1984

SUPREME COURT OF THE UNITED STATES

No. 87-963

ROBERT L. HERNANDEZ,
Petitioner

v.

COMMISSIONER OF INTERNAL REVENUE

ORDER ALLOWING CERTIORARI

Filed April 18, 1988

The petition herein for a writ of certiorari to the United States Court of Appeals for the First Circuit is granted.

Justice Brennan and Justice Kennedy took no part in the consideration or decision of this petition.